

**STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED
31ST MARCH 2005**

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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;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- 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 Chartered Institute of Public Finance and Accountancy 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 2005.

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.

The Statement of Accounts presents fairly the financial position of the Authority at 31st March 2005 and its income and expenditure for the year then ended.

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

Dated: 31st October 2005

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

AUDITORS' REPORT

STATEMENT ON INTERNAL CONTROL

Scope of Responsibility

South Cambridgeshire District Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.

The Purpose of the System of Internal Control

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

The system of internal control has been in place at the Council for the year ended 31st March 2005 and up to the date of approval of the annual accounts.

The Internal Control Environment

The Council's internal control environment is a system of financial regulations, administrative procedures, management information, and delegation and accountability. The system is monitored by both external audit and the Council's internal audit provider. The key elements of the Council's internal control environment are as follows:

- The Council's constitution, which sets out how the Council operates, how decisions are made, and the procedures that are followed to ensure that these are efficient, transparent and accountable. It details what is expected of Heads of Service for the administration of services under their control, which includes the prevention and detection of fraud.
- The Council has adopted the vast majority of the recommendations made within the CIPFA/SOLACE (Chartered Institute of Public Finance and Accountancy/Society of Local Authority Chief Executives) framework documents and will continue to monitor these arrangements to ensure that proper procedures are in place for the effective governance of the Council's affairs and the stewardship of the resources at its disposal.

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- The Risk Management Strategy explains the Council's attitude to risk, documents the process and responsibilities for managing risk throughout the Council, including risk registers at strategic level and identifies reporting procedures. Risk registers at operational level are part of the Risk Management Group's work programme for 2005/06.
- Decision making authority is delegated to Cabinet Members and Officers in the interests of efficiency where it is consistent with accountability and openness. Key decisions are taken at full meetings of the Council or Cabinet and are published in a forward plan.
- The Scrutiny and Overview Committee has no decision-making powers but monitors the performance of the Leader and Cabinet and scrutinises services and policies throughout the Council. The Committee also appoints the Audit Panel, which considers the reports of the Council's auditors. The Chairman or any five Councillors can call in for review by the Scrutiny and Overview Committee any decision made by the Cabinet or by individual Portfolio Holders. Scrutiny and Overview Committee meetings are open to the public.
- The Monitoring Officer maintains an up to date version of the Constitution, ensures that decision-making is fair and lawful, and advises whether Cabinet decisions are within the budget and policy framework.
- The Finance and Resources Director ensures the lawfulness and prudence of financial decision making, and has responsibility for the planning, administration and monitoring of the Council's financial affairs in accordance with Section 151 of the Local Government Act 1972.
- The financial planning framework seeks to ensure that the Council's financial resources are allocated in accordance with its objectives, policies and plans on both an annual and a medium term basis. The main components of the framework are the revenue budget, capital programme, and the medium term revenue and capital strategies.
- The Council's Internal Audit provider operates to the standards as set out in the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2003. They are responsible for monitoring the quality and effectiveness of the Council's system of internal control.
- External Audit reviews the system of internal control both in their own reports and by monitoring actions against Internal Audit recommendations. This is reported to the Council in their annual audit letter and other reports.
- The Council has an effective performance management system. The performance plan identifies priorities for 2005/2006 and gives a focus for service delivery and budget setting.

- All posts within the Council have a detailed job description and person specification to ensure that staff are suitably qualified to undertake their responsibilities. Training needs are identified by the Council's appraisal scheme.

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of the internal audit provider, the executive managers within the Council who have responsibility for the development and maintenance of the internal control environment, and also comments made by the external auditors and other review agencies and inspectorates.

From the work undertaken in 2004/05, Internal Audit has provided satisfactory assurance that the internal controls are fundamentally sound and accord with proper practice. Furthermore, Internal Audit's opinion is that the Council's corporate governance framework complies with the vast majority of the best practice guidance issued by CIPFA/SOLACE.

These both take into account the following factors:

- The Audit Commission's CPA (Comprehensive Performance Assessment) undertaken during 2003/04. The Council's overall performance achieved a 'fair' rating, with a score of 15 out of 20 in respect of its financial services.
- The Benefit Fraud Inspectorate's review of 2004/05 found that the Council's performance was fair.
- A Best Value Review report issued during 2004/05 in respect of Affordable Housing.
- A review of the Council's compliance with the CIPFA/SOLACE Corporate Governance Framework.

Embedding risk management within the culture is a lengthy process, and continuing to improve the management information in the form of risk registers and reporting of risks and control will assist this process. Risk management was reviewed by internal audit during the year, and was taken account of in the CPA of financial services.

The process that has been applied in maintaining and reviewing the effectiveness of the system of internal control also includes:

- The Council's Scrutiny and Overview Committee and Audit Panel by reviewing the adequacy of internal controls and monitoring the performance of internal audit.
- The Monitoring Officer, who reviews the operation of the Constitution.

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- Regular performance management and budgetary control reports to both Senior Management and the Scrutiny and Overview Committee.
- External Audit by expressing an opinion on the adequacy of internal audit work.

Significant Internal Control Issues

The review of the effectiveness of the system of internal control has identified some internal control issues, which are shown below along with the action plans that are in place to address them and ensure continuous improvement of the system:

No.	Issue	Action
1	Improvement of budget monitoring processes and management information, particularly in respect of the DSO/DLO.	Ensure that access to the financial management system continues to be granted to all budget holders and that regular meetings with the assigned accountant take place.
2	Development and embedding of risk management.	On-going training to staff and Members to embed risk management, particularly at departmental level, will be put in place.
3	Compliance with Standing Orders in respect of contracts including retention of contract documentation.	Management will monitor compliance with standing orders and take appropriate action where necessary.
4	Prompt and regular reconciliation of the data maintained on key financial systems.	Reconciliation procedures discussed with external audit and arrangements will be put in place to reconcile key financial systems in a timely manner.
5	Improvement of controls derived from the segregation of key functions or activities.	In a small organisation like South Cambridgeshire District Council, it is not always possible to improve internal control by segregating key parts of its operations. However, the Council will review current arrangements and, where possible, seek to segregate key functions as far as is possible for a small organisation.

We draw attention to the possible financial distress that could befall the Council in the event that it is capped. The Council is currently liaising with the Office of the Deputy Prime Minister to avoid a possible cap of the Council's budget, which could apply for the financial year 2005/06. The effect of capping would be severe

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with significant impact on the framework of control currently in place. At this stage, it is impossible to gauge the full impact that capping would have but, with the limited financial and human resources that capping would introduce, any significant financial cap could deteriorate the Council's control framework.

G. J. Harlock, CPFA, M.I.Mgt
Finance and Resources Director
20th July 2005

J. S. Ballantyne, DMS
Chief Executive
20th July 2005

S. G. M. Kindersley
Leader of the Council
20th July 2005

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).

The Account can be summarised as:

	Expenditure/(Income) £'000
Net cost of services	18,861
Corporate income and expenditure	
Parish precepts	2,224
Interest	(2,332)
Other	<u>533</u>
	<u>425</u>
Net operating expenditure	19,286
Appropriations	<u>(4,855)</u>
Amount to be met from Government Grants and local taxpayers	14,431
Principal sources of finance	
Council taxpayers	
District	(3,821)
Parishes	(2,224)
Government grants including redistributed business rates	(5,938)
Other items	<u>(5)</u>
	<u>(11,988)</u>
Deficit for the year	<u>2,443</u>

When the council tax for the financial year ending 31st March 2005 was set in February 2004, the deficit was estimated at £3,830,150. The variance of £1,386,834 is attributable to the following:

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	Underspending/Slippage ()	
	Overspending +	
	£'000	£'000
Services		
Corporate management	(93)	
Refuse Collection and Street Cleansing	285	
Grounds Maintenance	(93)	
Rent Allowances	(79)	
New Communities	58	
Travellers	186	
Planning Delivery Grant	85	
Planning Service	(60)	
Building Control Service	(132)	
Unallocated Costs-reallocated in actual	(707)	
Contingencies	(127)	
Other items individually under £50,000	<u>(174)</u>	
Variance in net portfolio expenditure on like for like basis		(851)
General Fund Summary		
Interest on Balances	(376)	
Capital Charges - General Fund	(303)	
Earmarked Reserves	107	
Financing from capital receipts not needed	32	
Other Items	<u>4</u>	
		<u>(536)</u>
		<u>(1,387)</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		2,927
Management and services		5,519
Rent Rebates		38
Depreciation/Amortisation of fixed assets		3,010
Transfer to General Fund (negative housing subsidy)		5
Transfer to National Pool (negative housing subsidy)		8,737
Other		<u>450</u>
		20,686
Rents and charges	(19,026)	
Receipt from General Fund	(597)	
Interest	<u>(162)</u>	
		<u>(19,785)</u>
Deficit for the year		<u>901</u>

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When rents for the financial year ending 31st March 2005 were set in February 2004, the deficit was estimated at £1,739,820. The variance of £839,131 is attributable to the following:

	Underspending/slippage()
	Overspending+
	£'000
Total repairs and maintenance	(83)
less increase in expenditure charged to capital	<u>(541)</u>
Repairs and maintenance financed from revenue	(624)
Administration	(369)
DLO Deficit	411
Sheltered Housing	(80)
Provision for 2004/05 Corporate Bids	(123)
Unused provision for unanticipated expenditure	(155)
Gross rent income	90
Other items individually under £50,000	<u>11</u>
	<u>(839)</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 £12.2 million. The major part of the programme involved the provision of housing; with £6.9 million being invested in improving the Council's own housing stock.

Treasury Management

At the 31st March 2005, investments totalled £37.5 million, a decrease of £5 million over the previous year-end. These investments produced interest of over £2.3 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.

Balances and Reserves

The balances on the General Fund and the Housing Revenue Account remained high at £6.7 million and £2.1 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 £25.8 million, consisting of the usable capital receipt reserve. The Council's capital programme allows for the planned and phased use of these reserves.

Pensions

The accounting policy relating to pensions reflects the full adoption of Financial Reporting Standard 17 (FRS17) Retirement Benefits whereby pension liabilities

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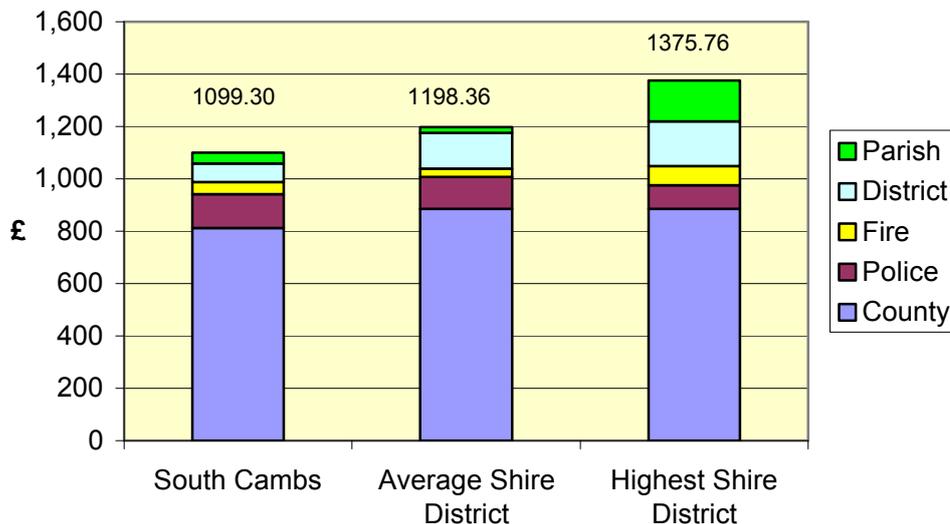
incurred during the year are charged to the cost of services and then reversed out with the pension deficit being shown as a liability in the balance sheet.

South Cambridgeshire's pension deficit is estimated at £20.1 million as at 31st March 2005 consisting of funded scheme liabilities and unfunded liabilities of £18.8 million and £1.3 million respectively. The deficit on the funded scheme has increased by £11.7 million with £10.7 million of this increase being attributable to the recommended change in the rate for discounting liabilities from long term index linked stocks to the rate on a high quality corporate bond. With over 70% of the pension fund attributable to South Cambridgeshire invested in equities, the deficit can vary greatly from one year to the next.

The employer's contribution rate for 2004/05 was 9.7%. The formal valuation of assets and liabilities, for the purposes of determining contribution rates as at 31st March 2004 to be effective from 1st April 2005, showed an estimated funding level of 75%. In order to bring the funding level to 100%, the rate is predicted to increase by 2.1% per annum until it reaches 21.7% in 2010/11 and is predicted to remain at this rate until 2024/25. If the fund is then in balance the contribution rate is estimated to be 13% per annum thereafter. These predicted rates have been incorporated into the Council's five-year financial projections.

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 at 1991 prices. For a band D property, the council tax for 2004/05 was £1,099.30. This was one of the lowest tax levels in the country and most of the money was raised on behalf of the County Council as shown below:



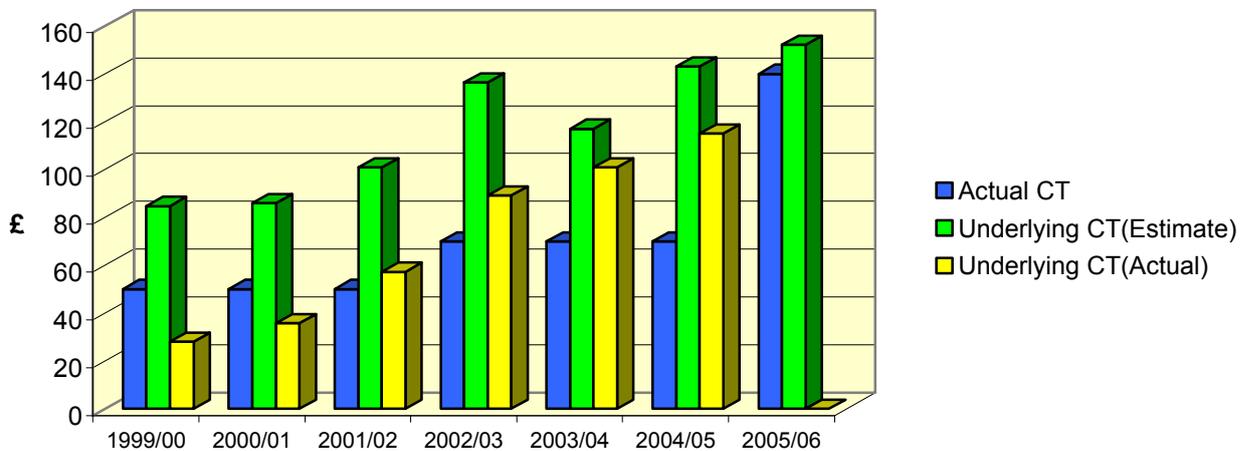
The district council figures were £70 (South Cambridgeshire), £137 (average) and £170 (highest).

Current and Future Developments

Council Tax and Capping

The Council Tax set by the Council was £50 for the three years from 1999/2000 to 2001/02 and £70 for the three years from 2002/03 to 2004/05. These amounts were substantially below the average charged by other shire districts as the Council was using its reserves (savings) to keep down the level amount of Council Tax residents would have to pay.

The Council Tax had to rise as it could no longer be subsidised by savings. For 2005/06, the Council Tax was set in February 2005 at £140. Without the use of some savings, the Tax would have been £152; the amount billed of £140 was still below the national average of £143.



In March 2005, the Government announced that its criteria for designating local authorities for capping were a 6% increase in the budget and a 5.5% increase in the Council Tax. South Cambridgeshire District Council was designated for capping.

The Council is effectively being penalised for its decision to use reserves to keep the Council Tax down in 2004/05. Reserves cannot carry on being used year after year and when reserves stop being used or their use reduced, any council is bound to be capped under the Government's criteria as it defines the budget as the amount needed after the use of reserves.

The Council needs just over a 6% increase in its budget to provide services to the public but the Government regards its budget increase as 43% because the reduction in the use of reserves of £3.3 million is being counted as expenditure:

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	Estimate 2004/05 £	Estimate (before capping) 2005/06 £	Increase/ Decrease £	Percentage increase
Budget before use of reserves	13,750,360	14,607,710	857,350	+6.24%
Less use of reserves	(3,830,150)	(452,740)	3,377,410	
Less other items	(155,920)	(212,320)	(56,400)	
Budget after use of reserves – budget for capping purposes	9,764,290	13,942,650	4,178,360	+42.79%

The Government has now “capped” the Council and imposed a maximum budget of £11.350 million which will necessitate cuts in services of £2.593 million to reduce its budget from £13.943 million to the maximum allowed. The Council Tax for 2005/06 has been re-set at £92.93.

New Offices

The Council has relocated 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 for the year was to achieve this move with the minimum of disruption and the maximum benefit and this was successfully achieved in May 2004.

Performance and Comprehensive Performance Assessment (CPA)

In June 2005, Council published its Performance Plan 2005 which sets out what we have achieved and what we plan to achieve. The Council was given a rating of fair (out of excellent, good, fair, weak or poor) in the final report of its CPA inspection in July 2004.

Information and Communication Technology (ICT)

The Council has approved £7.6 million for strengthening its ICT infrastructure and equipment plus £1.7 million for electronic service delivery work over the five years 2000-2005. It has established a contact centre in partnership with Cambridgeshire County Council with the long term aim of conducting 80% of routine business at first contact. These investments will support the delivery of e-government in line with national targets

Performance Indicators

One of the indicators for 2004/05 is a target of less than 3% for the variance between original estimate and actual for net portfolio expenditure, with actual performance being a variance of 5% below estimate.

Population Growth

The District population of 131,000 people in 2001 is projected to increase by 33% by 2016. This is a reflection of regional planning guidance and structure plan policies including the development of large numbers of additional houses in the district, particularly through the creation of a new settlement at Northstowe and the development of the Cambridge fringe areas. The officer capacity to develop these policies has to be paid for now but is not reflected in Government grants or in the Council's tax base for raising income locally.

Introduction of the Euro

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

Housing Stock Options Appraisal

The Council considered the options of retaining the stock within the Council or transferring the whole stock to a housing association as being most appropriate. After a ten month review of options, the Council decided to retain its housing stock and to continue managing and maintaining Council housing.

Affordable Housing

The Council is currently in the process of transferring its Airey (non traditionally built) dwellings, some sheltered bedsits and various land sites to housing associations for the development of affordable and supported housing. These will show in the relevant year as disposals written out of the balance sheet but in most cases the disposal is at nil cost. These transfers are an important contribution to the corporate objective of quality village life by meeting the priority of affordable housing and to the corporate objective of a better future through partnership by working with other organisations.

Auditor's Opinion

The Statement of Accounts has been audited and the Auditor's opinion is shown on page 3.

G.J.Harlock, CPFA, M.I.Mgt.
Finance and Resources Director
10th October 2005

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. The accounts are compiled on an accruals basis so that expenditure and income reflect work undertaken/goods supplied/services rendered during the financial year regardless of when cash is paid or received.

2. TANGIBLE FIXED ASSETS

All expenditure on the acquisition, creation or enhancement of tangible 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. This will include expenditure on the acquisition of land, the acquisition/construction/enhancement of buildings and the acquisition of vehicles and plant. 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/amortisation. This excludes expenditure on routine repairs and maintenance of fixed assets which is charged direct to service revenue accounts.

Tangible 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. Assets not ready for use as at the valuation date are included in the balance sheet at cost.
Non operational assets	The lower of net current replacement cost and net realisable value.
Infrastructure and community assets	Historic cost, net of depreciation / amortisation, where appropriate

Assets not ready for use as at the valuation date are included in the balance sheet at cost.

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

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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.

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 depreciation/amortisation starting in the year after acquisition 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	35/60
Information and Communications Technology (ICT) (Most vehicles are contract hired.)	3

With regard to Council dwellings, the 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 estimated measure of depreciation/amortisation.

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

- i. Revenue accounts bear a capital charge for all fixed assets used in the provision of services, which consists of an annual provision for depreciation/amortisation 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.

The Code has not been complied with insofar as the cumulative amount for depreciation/amortisation 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. INTANGIBLE ASSETS

Intangible assets include deferred charges and ICT expenditure on purchased software and associated consultants' costs. 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.

Intangible assets are included in the balance sheet at cost.

The amortisation of intangible assets is on the following bases:

deferred charges are included in the accounts on a cash payments basis and are normally fully financed from government grants and/or revenue in the year of payment; they are normally written out of the balance sheet in the year of payment;

ICT expenditure is amortised starting in the year after acquisition by writing down the cost on a straight line basis over 3 years with no residual value.

Revenue accounts bear a capital charge for intangible assets used in the provision of services, which consists of an annual provision for amortisation 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.

4. GOVERNMENT GRANTS AND OTHER CONTRIBUTIONS TO FIXED ASSETS

Where a tangible fixed asset or an intangible asset is financed either wholly or in part by a government grant or contribution, the amount of grant or contribution is credited initially on a receipts basis to the deferred grants and contributions account. The amounts received are released to the Asset Management Revenue Account over the useful life of the asset to match the depreciation/amortisation charged. This is a departure from the Code which allows for Government grants and other contributions to be accounted for on an accruals basis where there is reasonable assurance that the grant or contribution will be received.

5. DEBTORS AND CREDITORS

The 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. Grants payable to other organisations are included in the accounts on a payments basis.

6. STOCK AND WORK IN PROGRESS

Stock held at the year end has been included in the accounts at the lower of cost or net realisable value. 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 have been fully apportioned to services. The bases of apportionment for the main costs are outlined below:

Cost	Basis of apportionment
Administrative Buildings	Area occupied and then on a per capita basis for office accommodation
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

The costs of the corporate and democratic core and of unapportionable central overheads are not apportioned to services.

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 accounts have been prepared on the basis of the full adoption of Financial Reporting Standard 17 (FRS17) Retirement Benefits whereby pension liabilities incurred during the year are charged to the cost of services. The cost of these liabilities is reversed out in the appropriations section of the Consolidated Revenue Account and the Housing Revenue Account and payments to the pension scheme are added in. The Consolidated Balance Sheet shows the future liability in respect of benefits due to members of the fund.

In accordance with the Code of Practice, pensions liabilities incurred during the year 2004/05 have now been apportioned to the Housing Revenue Account. This is a change in accounting policy compared to 2003/04 when pension costs in the Housing Revenue Account were accounted for on a payments basis.

The Authority participates in the funded Local Government Pension Scheme, which is a defined benefit scheme, and also provides unfunded discretionary benefits, both of which are administered by Cambridgeshire County Council.

The amounts and disclosures shown in the Consolidated Revenue Account and the Consolidated Balance Sheet in respect of the Authority's attributable share of the funded scheme and the Authority's unfunded scheme have been determined by the administering authority's actuary, with the funded scheme determination being in accordance with Guidance Note 36: Accounting for Retirement Benefits under FRS17 issued by the Institute and the Faculty of Actuaries.

10. DEBT FREE

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

- can benefit from the transitional reductions on the full amount of any receipts from the sale of dwellings which have to be paid to the Government;

- finances its capital requirement from capital receipts, grants and direct revenue financing so that there is no pre-emption of future revenue resources for the repayment of debt.

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

CONSOLIDATED REVENUE ACCOUNT

2003/04 Net Expenditure £		2004/05 Gross Expenditure £	2004/05 Gross Income £	Note	2004/05 Net Expenditure £
EXPENDITURE ON SERVICES					
3,614,953	Central Services	2,796,910	(396,121)		2,400,789
1,493,423	Central Services to the Public	6,308,242	(4,749,645)		1,558,597
	Cultural, Environmental and Planning Services				
1,726,441	Cultural and Related Services	1,821,325	(42,529)		1,778,796
4,429,027	Environmental Services	6,285,687	(1,422,847)		4,862,840
3,157,314	Planning and Development Services	5,836,481	(1,537,083)		4,299,398
282,359	Highways, Roads and Transport Services	623,928	(543)		623,385
	Non HRA Housing				
679,271	Personal Social Services	762,877	(108,767)		654,110
588,101	Housing Benefit and Administration	13,600,406	(13,370,710)		229,696
811,391	Private Sector Housing Renewal	981,322	(206,602)		774,720
86,306	Supporting People	339,902	(175,824)		164,078
264,982	Other Non HRA Housing Services Expenditure	527,080	(110,253)		416,827
(36,055)	Miscellaneous Services	0	(180)		(180)
(1,210,657)	Negative Subsidy Entitlement from HRA	0	(4,536)		(4,536)
208,881	Other Revenue Contributions to/from HRA	201,850	0		201,850
16,095,737	General Fund Services-Continuing operations	40,086,010	(22,125,640)		17,960,370
672,455	Housing Revenue Account Services	39,004,393	(38,103,704)		900,689
16,768,192	NET COST OF SERVICES	79,090,403	(60,229,344)		18,861,059
2,124,651	Precepts of Local Precepting Authorities				2,223,811
359,314	Net (Surplus)/deficit of Direct Service Organisation (excl.appropriations)			10	493,151
(209,671)	Transfer to/(from) Asset Management Revenue Account			1	(846,577)
0	Payment to the Government for Housing Pooled Capital Receipts				1,049,551
(2,461,346)	Interest and Investment Income				(2,332,302)
323,202	Pensions Interest Cost and Expected Return on Pension Assets			6	(119,333)
16,904,342	NET OPERATING EXPENDITURE				19,329,360
(672,455)	Deficit transferred to/(from) Housing Revenue Account Balances				(900,689)
(385,617)	Contribution to/(from) Reserves			2	(697,844)
(1,172,165)	Contribution from Capital Financing Account			3	(1,866,812)
(1,157,574)	Contribution from Reserves Equal to Net Pension Liability			6	(383,044)
0	Transfer from Usable Capital Receipts				(1,049,551)
13,516,531	AMOUNT TO BE MET FROM GOVERNMENT GRANTS AND LOCAL TAXPAYERS				14,431,420
(5,880,011)	Demand on Collection Fund				(6,044,481)
(18,092)	Transfers from Collection Fund				(5,214)
(1,744,029)	Government Grants				(2,369,752)
(4,551,742)	Distribution from Non-Domestic Rate Pool				(3,568,657)
0	Community Charge Difference				0
1,322,657	DEFICIT/(SURPLUS) FOR THE YEAR				2,443,316
	General Fund Balance				
(10,417,726)	Balance at the beginning of the year				(9,095,069)
1,322,657	Deficit/(Surplus)for the year				2,443,316
(9,095,069)	Balance at the end of the year				(6,651,753)

NOTES TO CONSOLIDATED REVENUE ACCOUNT

1. TRANSACTIONS ON THE ASSET MANAGEMENT REVENUE ACCOUNT

2003/04		2004/05
£		£
	Income	
	Reversal of Capital Charges	
(869,580)	General Fund and DLO/DSO	(1,676,802)
<u>(19,448,714)</u>	Housing Revenue Account	<u>(21,148,988)</u>
		(22,825,790)
<u>(135,332)</u>	Transfer from deferred grants and contributions	<u>(326,385)</u>
<u>(20,453,626)</u>		<u>(23,152,175)</u>
	Expenditure	
	Interest	
16,724,789	Housing Revenue Account	18,289,595
<u>4,158</u>	Finance Leases	<u>264</u>
		18,289,859
	Provision for Depreciation/Amortisation	
581,914	General Fund and DLO/DSO	1,006,195
<u>2,933,094</u>	Housing Revenue Account	<u>3,009,543</u>
		4,015,738
<u>(209,671)</u>	Balance to Consolidated Revenue Account	<u>(846,578)</u>

2. CONTRIBUTIONS TO (FROM) RESERVES

2003/04		2004/05
£		£
(317,137)	Trading undertakings	(443,107)
(331,660)	Contribution from Capital Reserve	(40,840)
(3,656)	Contribution from DLO/DSO Reserve Accounts	13,330
(2,791)	Building Control Trading Reserve	23,940
	Contribution to /from Earmarked Reserves	
366,363	Recreation and Leisure - Capital	0
(30,025)	Recreation and Leisure	3,528
(44,430)	The Arts	(4,046)
(347)	Community Safety	117,522
95,880	Cycleways	(226,720)
(18,785)	Road safety and Improvement Schemes	(93,836)
(93,337)	Conservation Grants and Initiatives	(57,608)
0	Planning Enforcement	(46,482)
(27,000)	Contingency	27,000
21,308	Miscellaneous	29,475
<u>(385,617)</u>		<u>(697,844)</u>

3. CONTRIBUTION FROM CAPITAL FINANCING ACCOUNT

2003/04		2004/05
£		£
1,628,675	Financing of capital expenditure from revenue	538,452
(581,914)	Depreciation/Amortisation	(1,006,195)
<u>(2,218,926)</u>	Deferred charges written out	<u>(1,399,069)</u>
<u>(1,172,165)</u>		<u>(1,866,812)</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 £1,292 in respect of finance leases were made during the year (£22,676 in 2003/04).

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:

2003/04		2004/05
£		£
112,532	Staff recruitment	118,872
324,733	Public Relations	381,677
67,785	Other	64,257
<u>505,050</u>		<u>564,806</u>

6. PENSIONS

In 2004/05, expenditure on employer's contributions and charged to the revenue account was £1,047,894 representing 9.7% of employees' pensionable pay (£816,760 and 7.9% in 2003/04) 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 funded scheme). The contribution rate is determined by the administering authority's actuary based on triennial actuarial valuations, as at 31st March 2001 but not implemented until 1st April 2002.

In addition, the Council is responsible for all pension payments relating to added years' benefits it has awarded, together with the related increases (the unfunded scheme). In 2004/05 these were charged to the revenue account and amounted to £80,983 representing 0.75% of pensionable pay (£73,724 and 0.71% in 2003/04).

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

The movement in the net pension liability is:

2003/04 £'000		2004/05 £'000
	Deficit/pension liability on 1st April	
(10,800)	- funded	(7,070)
(1,327)	- unfunded	<u>(1,222)</u>
		(8,292)
	Movement in the year:	
(2,420)	interest cost (unravelling of the discount)	(2,350)
2,040	expected return on assets	<u>2,512</u>
		162
	current service cost (net of employee'	
(1,360)	contributions)	(1,740)
	employer's contributions	
820	- funded	1,048
105	- unfunded	88
(236)	past service costs - unfunded	0
(310)	gains/losses on settlements and curtailments	<u>(78)</u>
		(520)
4,960	actuarial gains / (losses)	(12,487)
236	unfunded	0
-	less unfunded scheme liability	<u>1,222</u>
<u>(8,292)</u>	Net pensions liability as at 31st March	<u>(20,077)</u>

Further disclosures are included in the notes to the Consolidated Balance Sheet and the Statement of Total Movement in Reserves.

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 £315,082 (£297,231 in 2003/04). Further information is available upon request from the Democratic Services Manager, South Cambridgeshire District Council, South Cambridgeshire Hall, Cambourne Business Park, Cambourne, Cambridge, CB3 6EA.

8. EMPLOYEES' REMUNERATION

The number of employees whose remuneration was £50,000 or more were:

2003/04		2004/05
8	£50,000 - £59,999	5
2	£60,000 - £69,999	2
1	£70,000 - £79,999	2
1	£80,000 - £89,999	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:

2003/04		2004/05
£		£
449,283	Expenditure	465,104
<u>(446,492)</u>	Income	<u>(489,044)</u>
<u>2,791</u>	(Surplus) / Deficit	<u>(23,940)</u>

Building control costs are shown before and excluding FRS 17.

10. TRADING OPERATIONS

2003/04		2004/05
£		£
	Direct Service Organisation	
	Refuse Collection, Street Cleansing, Awarded	
Part of	Watercourses and Cesspool Emptying	Part of
service	Turnover	service
account	Deficit	account
271,399	Grounds Maintenance	272,706
(9,141)	Turnover	31,744
	(Surplus)/ Deficit	
	Direct Labour Organisation	
	Building Maintenance	
2,188,741	Turnover	1,571,608
326,278	Deficit	411,363
317,137	Total Deficit	443,107
42,177	Additional pensions liabilities under FRS17	50,044
<u>359,314</u>	Total Deficit shown in Consolidated Revenue Account	<u>493,151</u>

11. AUDIT COSTS

Expenditure during the year on audit costs was:

2003/04		2004/05
£		£
72,150	Auditing accounts	73,950
25,000	Performance Plan and CPA	25,750
21,793	Certifying grant claims	12,001
<u>0</u>	Other services	<u>23,674</u>
<u>118,943</u>		<u>135,375</u>

12. RELATED PARTY DISCLOSURES

In 2004/05, there were no reported material related party transactions that are not disclosed elsewhere in the accounts.

13. ACQUIRED AND DISCONTINUED OPERATIONS, EXCEPTIONAL ITEMS AND EXTRAORDINARY ITEMS

There are no transactions to report under these headings in 2004/05 or in 2003/04.

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

THE COLLECTION FUND

2003/04		2004/05
£	INCOME	£
(51,589,475)	Income from Council Tax	(56,315,610)
	Transfers from General Fund	
(3,075,224)	Council Tax Benefits	(3,630,878)
<u>(40,813,401)</u>	Income collectable from Business Ratepayers	<u>(42,516,800)</u>
<u>(95,478,100)</u>		<u>(102,463,288)</u>
EXPENDITURE		
Demands and Precepts		
Precepts		
42,778,915	Cambridgeshire County Council	44,387,452
6,078,855	Cambridgeshire Police Authority	7,058,961
0	Cambridgeshire Fire Authority	<u>2,510,180</u>
		53,956,593
Demands - District Council		
3,755,360	General Expenses	3,820,670
2,124,651	Special Expenses - Parish Precepts	<u>2,223,811</u>
		6,044,481
<u>54,737,781</u>		<u>60,001,074</u>
Business Rate		
40,626,611	Payment to National Pool	42,317,551
186,790	Cost of Collection	199,249
		42,516,800
Bad and Doubtful Debts		
74,993	Write Offs	66,844
87,150	Provision for Bad and Doubtful Debts	<u>57,780</u>
		124,624
Contributions		
Towards previous year's estimated Collection Fund Surplus		
Council Tax		
124,330	Cambridgeshire County Council	37,936
16,098	Cambridgeshire Police Authority	5,405
18,092	District Council	<u>5,214</u>
		48,555
<u>95,871,845</u>		<u>102,691,053</u>
393,745	(Surplus)/Deficit of income over expenditure	227,765
<u>(117,655)</u>	Fund Balance at Beginning of year	<u>276,090</u>
<u>276,090</u>	Fund Balance at end of year	<u>503,855</u>
Attribution of Deficit/(Surplus) carried forward		
<u>276,090</u>	Council Tax	<u>503,855</u>
<u>276,090</u>		<u>503,855</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 fewer 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	2,089.00	6/9	1,036.80
B	£40,001 - £52,000	5,690.00	7/9	3,423.60
C	£52,001 - £68,000	17,110.00	8/9	13,410.90
D	£68,001 - £88,000	10,538.00	9/9	10,863.80
E	£88,001 - £120,000	9,783.00	11/9	11,139.90
F	£120,001 - £160,000	6,378.00	13/9	8,678.90
G	£160,001 - £320,000	3,643.00	15/9	5,746.20
H	More than £320,000	309.00	18/9	555.00
		<u>55,540.00</u>		<u>54,855.10</u>
		Assumed rate of collection	99.5%	
		Tax base for tax setting purposes (number of Band D equivalent dwellings)		54,581
		Tax rate for a Band D property		<u>£1,099.30</u>
		Estimated income due		<u>£60,000,893</u>
		Actual income due		
		Net of write offs and provisions	£56,190,986	
		Council Tax Benefit net of subsidy limitation	£3,630,878	
				<u>£59,821,864</u>
		Difference in income due to variations in tax base and rate of collection		<u><u>(£179,029)</u></u>

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 31st March 2005 was £121,259,869 and the uniform rate was 45.6 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 DEFICIT

The deficit relating to Council Tax transactions of £503,855 on the Collection Fund as at 31st March 2005 will be collected in subsequent financial years from the major precepting authorities and the District Council in proportion to their respective precepts and demand.

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

HOUSING REVENUE ACCOUNT

2003/04	INCOME	2004/05
£		£
(17,303,487)	Dwelling Rents(Gross)	(17,210,472)
(344,023)	Non-dwelling Rents(Gross)	(337,721)
<u>(1,262,951)</u>	Charges for Services and Facilities	<u>(1,477,888)</u>
		(19,026,081)
	Contributions towards expenditure	
(500,118)	General Fund	(497,898)
(5,485)	Direct Services Organisation	0
<u>0</u>	Other sources	<u>(99,000)</u>
		(596,898)
(53,071)	Housing Benefit Transfers from General Fund	0
<u>(19,469,135)</u>	Total Income	<u>(19,622,979)</u>
	EXPENDITURE	
3,296,730	Repairs and Maintenance	2,927,018
	Supervision and Management	
1,641,905	General	1,573,864
817,297	Repairs and Maintenance	884,542
2,732,660	Special Services	3,060,111
109,357	Rent, Rates and Other Charges	111,599
7,398,199	Rent Rebates	38,470
1,210,657	Negative Subsidy transferable to General Fund	4,536
-	Payment to Government in to National Pool	8,737,408
326,278	Transfer of DLO Deficit	429,777
16,515,620	Cost of Capital Charge	18,139,445
2,933,094	Depreciation of Fixed Assets	3,009,543
19,520	Treasury Management Costs	22,710
25,700	Increased Provision for Bad or Doubtful Debts	65,370
<u>37,027,017</u>	Total Expenditure	<u>39,004,393</u>
17,557,882	Net Cost of Services	19,381,414
	HRA transactions on the Asset Management Revenue Account	
(16,515,620)	Cost of Capital Charge	(18,139,445)
(98,204)	Interest on Amounts Set Aside	<u>(50,340)</u>
		(18,189,785)
	Pensions Interest Cost and Expected Return	
56,798	on Pension Assets	(42,667)
	HRA Investment Income	
(14,010)	Mortgage Interest	(11,507)
(110,965)	Interest on Cash Balances	<u>(99,810)</u>
		(153,984)
875,881	Net Operating Expenditure	1,037,645
(203,426)	Contribution from Reserves Equal to Net Pension Liability	<u>(136,956)</u>
672,455	Deficit/(Surplus) for the year	900,689
(3,629,266)	Balance brought forward	<u>(2,956,811)</u>
<u>(2,956,811)</u>	Balance carried forward	<u>(2,056,122)</u>

NOTES TO HOUSING REVENUE ACCOUNT (HRA)**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 2004	Additions during the year	Disposals during the year	As at 31st March 2005
1 Bedroom	1,195	10	(29)	1,176
2 Bedrooms	2,506	7	(35)	2,478
3 Bedrooms	2,147	0	(28)	2,119
4 or more Bedrooms	71	0	(1)	70
	5,919	17	(93)	5,843

Disposals

Right to Buy	40
Equity Share	32
Other	21
	93

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

	Balance at 31st March 2004	Revaluation/ Review at 1st April 2004	Additions during year	Disposals during year	Depreciation for year	Balance at 31st March 2005
Operational assets						
Council dwellings	468,321,127	51,615,084	8,889,098	(8,030,472)	(3,009,543)	517,785,294
Garages	1,879,291	213,242	4,141	0	0	2,096,674
Non operational assets						
Land and buildings	2,586,999	310,438	0	0	0	2,897,437
	472,787,417	52,138,764	8,893,239	(8,030,472)	(3,009,543)	522,779,405

The dwellings are valued in accordance with Guidance on Stock Valuation issued by the Office of the Deputy Prime Minister which requires the value to be based on:

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

	£
vacant possession value	911,885,914
ratio of local authority rents to private rents to take account of secure tenancies at less than open market rents	57%
	519,774,971
property leased at market rent	161,240
	519,936,211
opening balance	468,321,127
revaluation	51,615,084
Revalued opening balance as at 1st April 2004	519,936,211

The Housing Stock Options Appraisal being considered by the Council includes an option to transfer the whole stock to a housing association. The valuation for this purpose is entirely different being based on the present value of future expenditure and income and produces a much lower figure.

2. CAPITAL EXPENDITURE, FINANCING AND RECEIPTS

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

	£		£
Expenditure		Financing	
Acquisition of land	17,358	Capital receipts	6,519,530
New Build	241,649	Major Repairs Allowance	3,009,543
Acquisition of existing dwellings	1,678,276	Grant	34,127
Improvement of housing stock	6,953,271	Decrease in Capital creditors	(672,646)
	8,890,554		8,890,554

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

2003/04		2004/05
£		£
5,968	Sale of Land	14,206
5,960,595	Sale of dwellings	
2,889,769	Right to buy	3,413,471
8,856,332	Other	3,620,583
		7,048,260

3. DEPRECIATION

The Major Repairs Allowance 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/Amortisation.

The charge for Depreciation within the HRA was:

2003/04		2004/05
£		£
2,933,094	Operational assets	3,009,543
0	Non operational	0
<u>2,933,094</u>		<u>3,009,543</u>

4. IMPAIRMENT

No impairment charge was incurred for the financial year 2004/05, (£48,375 in 2003/04).

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 2004	0
Transfer of depreciation provision	(3,009,543)
Capital expenditure	3,009,543
Balance on 31 st March 2005	0

6. COST OF CAPITAL CHARGE

The cost of capital charge is based on 3.5% 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 negative housing subsidy transferable to the General Fund from the HRA for the financial year consists of:

2003/04		2004/05
£		£
1,726,049	Allowance for management	1,732,102
3,532,970	Allowance for maintenance	4,046,481
2,933,094	Allowance for major repairs	3,009,543
7,186,147	Rent rebates	0
<u>7,620</u>	Other items	<u>8,890</u>
15,385,880		8,797,016
(16,826,402)	Rent	(17,476,177)
(93,917)	Interest on receipts	<u>(58,247)</u>
	Payable to the Government	<u>(8,737,408)</u>
323,782	Add back rent rebate subsidy limitation	0
<u>0</u>	Rebate Adjustment for 2003/04	<u>(4,536)</u>
<u>(1,210,657)</u>	Transferred to the General Fund	<u>(4,536)</u>

8. CONTRIBUTION FROM RESERVES EQUAL TO NET PENSION LIABILITY

This contribution reverses out the pensions liabilities apportioned to net operating expenditure and adds back in the payments to the pension scheme so that the adoption of Financial Reporting Standard 17 (FRS 17) Retirement Benefits has no effect on the deficit/surplus for the year.

9. RENT ARREARS ON DWELLINGS

As at 31st March 2004 £		As at 31st March 2005 £
478,673	Arrears	562,165
2.59%	Arrears as a percentage of gross rents collectable	3.05%
£ 322,000	Provision for uncollectable amounts	£ 378,370

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

CASH FLOW STATEMENT

2003/04		2004/05	2004/05
£		£	£
	Revenue Activities		
	Cash Outflows		
13,385,672	Cash paid to and on behalf of employees	14,156,317	
13,178,428	Other operating cash payments	13,505,274	
0	Negative housing subsidy paid to Government	8,737,408	
4,604,023	Housing Benefit paid out	5,187,134	
46,706,791	National Non-Domestic Rate Payments to the National Pool	44,002,973	
42,903,245	Precepts paid to County Council	44,425,388	
6,094,953	Precepts paid to Police Authority	7,064,366	
0	Precepts paid to Fire Authority	2,510,180	
2,124,651	Precepts paid to Parishes	2,223,811	
0	Payment to Capital Receipts Pool	<u>641,516</u>	
			142,454,367
	Cash Inflows		
(10,200,825)	Rents(after rebates)	(8,596,813)	
(51,075,135)	Council Tax receipts	(56,386,017)	
(4,551,742)	National Non Domestic Rates from National Pool	(42,488,976)	
(39,256,501)	Non Domestic rate receipts	(3,568,657)	
(1,744,029)	Revenue Support Grant	(2,369,752)	
(7,991,008)	DWP grants for benefits	(17,295,598)	
(1,490,970)	Other Government Grants	(1,349,373)	
(4,857,716)	Cash received for goods and services	<u>(6,546,634)</u>	
			<u>(138,601,820)</u>
<u>7,829,837</u>	Revenue Activities Net Cash Flow		3,852,547
	Returns on Investment		
	Cash Outflows		
4,158	Interest element of finance leases	264	
	Cash Inflows		
(2,866,379)	Interest received	<u>(2,358,339)</u>	
			(2,358,075)
	Capital Activities		
	Cash Outflows		
20,103,247	Purchase of Assets	11,578,269	
2,764,366	Deferred Charges	1,591,728	
	Cash Inflows		
(8,835,095)	Sale of Fixed Assets	(9,244,027)	
(820,006)	Capital Grants received	(661,395)	
(13,112)	Other capital cash receipts	<u>(221,922)</u>	
			<u>3,042,653</u>
<u>18,167,016</u>	Net cash inflow before financing		4,537,125
	Management of Liquid Resources		
(17,700,000)	Net increase/(decrease) in short term deposits		(5,000,000)
	Cash Outflow		
<u>18,518</u>	Financing - principal element of finance leases		<u>1,028</u>
<u>485,534</u>	Decrease/(Increase) in cash		<u>(461,847)</u>

NOTES TO CASH FLOW STATEMENT

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

2003/04		2004/05	2004/05
£		£	£
1,322,657	Deficit on Consolidated Revenue Account	2,443,316	
672,455	Deficit on Housing Revenue Account	900,689	
393,745	Deficit on Collection Fund	227,765	
0	Payment to Capital Receipts Pool	<u>641,516</u>	
			4,213,286
	Add non cash transactions		
11,340	Credit Cover (net)	11,340	
(1,653,591)	Direct Revenue Financing of Capital Expenditure	(541,137)	
(2,933,094)	Major Repairs Allowance	(3,009,543)	
62,401	Contribution from Reserves	258,067	
	Less non cash transactions		
112,850	Movement in Bad Debt Provision	123,150	
135,332	Amortisation of Deferred Grants and Contributions	<u>326,385</u>	
			<u>(2,831,738)</u>
			1,381,548
	Changes in working capital		
(6,258)	Stock	17,114	
302,168	Debtors	872,220	
6,542,171	Revenue Creditors	<u>(776,410)</u>	
			112,924
<u>2,862,221</u>	Servicing of Financing from Cash Flow Statement		<u>2,358,075</u>
<u>7,824,397</u>	Revenue Activities Net Cash Flow		<u>3,852,547</u>

2. Reconciliation of balance sheet to liquid resources

	Balance Sheet 31st March 2004	Balance Sheet 31st March 2005	Movement in Liquid Resources 2004/2005
Investments	(42,500,110)	(37,500,110)	5,000,000
Less time deposits	42,500,110	37,500,110	(5,000,000)
Investments repayable on demand	0	0	0
Net cash overdrawn	1,231,630	769,783	(461,847)
Movement	1,231,630	769,783	461,847

3. Reconciliation of movement in cash to net debt

2003/04		2004/05
£		£
485,534	Decrease/(Increase) in cash	(461,847)
<u>(18,518)</u>	Cash outflow from finance lease	<u>(1,028)</u>
467,016	Decrease in net debt from cash flow	(462,875)
(765,642)	Net debt at 1st April	(1,232,658)
(1,232,658)	Net debt at 31st March	(769,783)

4. Management of Liquid Resources

A short-term deposit is an investment that is not intended to be held for use on a continuing basis in the activities of the authority.

5. Analysis of other Government grants

2003/04		2004/05
£		£
	Revenue	
(465,199)	Housing Benefit Administration and Fraud	(483,320)
(186,790)	NNDR Cost of Collection Allowance	(199,249)
(116,667)	Planning Delivery Grant	(219,962)
(152,495)	Supporting People	(152,414)
(19,962)	Homelessness	(20,000)
(23,985)	Improvement Grant	(29,425)
(317,677)	Refuse / Recycling	(85,601)
(51,334)	Community Safety	(60,343)
(118,720)	Verification Framework	(72,200)
<u>(38,141)</u>	ICT	<u>(26,859)</u>
<u>(1,490,970)</u>		<u>(1,349,373)</u>
	Capital	
(526,743)	Renovation Grants - net of repayments	(180,000)
(332,990)	IEG	(323,390)
0	Broadband	(51,750)
0	Kerbside Recycling	(76,710)
0	Plastic Recycling Bins	(5,800)
(18,480)	Insulation	(23,745)
58,207	Other	0
<u>(820,006)</u>		<u>(661,395)</u>

NOTES TO THE CONSOLIDATED BALANCE SHEET

1. TANGIBLE FIXED ASSETS

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

	Balance at 31st March 2004	Revaluation/ Review at 1st April 2004	Additions during year	Disposals during year	Depreciation for year	Balance at 31st March 2005
Operational						
Council dwellings	470,200,418	51,828,326	8,893,239	(8,030,472)	(3,009,543)	519,881,968
Other land and buildings	18,157,317	393,105	998,821	(876,533)	(318,224)	18,354,486
Vehicles, plant and equipment	1,608,170	0	689,508	(5,955)	(676,693)	1,615,030
Infrastructure	129,238	0	0	0	(11,278)	117,960
Community Assets	368,694	231,306	0	0	0	600,000
Non operational						
Investment Properties	188,753	22,650				211,403
Surplus assets, held for disposal	2,398,496	287,788				2,686,284
	493,051,086	52,763,175	10,581,568	(8,912,960)	(4,015,738)	543,467,131
Deferred Charges	0		(33,545)			(33,545)
	493,051,086	52,763,175	10,548,023	(8,912,960)	(4,015,738)	543,433,586

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

- a) Council dwellings and non operational assets relating to the Housing Revenue Account as at 1st April 2000 and reviewed as at 1st April 2001, 2002, 2003 and 2004 by Mr. Mark Catley, MRICS, FAAV, District Valuer, East of England; Council dwellings have been valued and reviewed on the basis of existing use for social housing; and
- b) Other land and buildings and investment properties valued as at 1st April 2004 by Mr. Mark Catley, MRICS, FAAV, District Valuer, East of England. Assets not ready for use as at the valuation date are included in the balance sheet at cost.

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, as at the balance sheet date, Council dwellings are valued on the prescribed basis set out in note 1 on page 32. In the event that the dwellings are transferred to a housing association, then the valuation method for such a transfer is entirely different and produces a much lower valuation.

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Capital expenditure was financed as follows:

	£	Financing	£
Expenditure			
Intangible Assets	346,109	Capital Receipts	8,846,907
Fixed Assets	10,235,459	Revenue	541,137
Deferred Charges	1,591,728	Grant	666,231
		Decrease in Capital Creditors	(996,701)
		Major Repairs Allowance	3,009,543
		Reserves	106,179
	12,173,296		12,173,296

An analysis of fixed assets is:

31 st March 2004 (Numbers)		31 st March 2005 (Numbers)
5,919	Council dwellings	5,843
1	Offices	1
1	Depot and Workshop	1
1	Country Park, visitors centre and toilet block	1
5	Car Parks	5
2	Commercial Property	2
15.25 (acres)	Land	15.25 (acres)

Capital commitments as at 31st March 2005 were £0.4 million on Housing and £2.5 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 2004/05 (£85,808 in 1999/00). Gross expenditure on finance leases amounted to £85,808 as at 31st March 2005 (£85,808 as at 31st March 2000); accumulated Depreciation amounted to £85,808 (£68,648 in previous year).

3. INTANGIBLE ASSETS

	Balance at 31st March 2004 £	Expenditure £	Amounts written out £	Balance at 31st March 2005 £
Improvement grants	0	777,429	(777,429)	0
Other	0	814,299	(847,844)	(33,545)
	0	1,591,728	(1,625,273)	(33,545)

4. STOCKS AND WORK IN PROGRESS

31st March 2004		31st March 2005
£		£
14,614	Stock	27,419
5,268	DSO	9,577
<u>19,882</u>	Other	<u>36,996</u>

5. DEBTORS

31st March 2004		31st March 2005
£		£
1,724,573	Government Departments	3,153,143
1,191,527	Non-Domestic Ratepayers	815,250
1,268,000	Council Tax	1,403,886
478,673	Housing Rents	562,165
187,132	Cambridgeshire County Council	289,891
28,830	Employee Car Loans	51,783
678	Cambridge City Council	18,070
439	Staff Salaries and Wages	1,008
2,475,770	Sundry Debtors	2,156,339
<u>(1,370,964)</u>	Provision for Doubtful Debts	<u>(1,471,507)</u>
<u>5,984,658</u>	Total	<u>6,980,028</u>

6. INVESTMENTS

These investments are fixed time and callable deposits where the deposits are redeemed for the same value as the amount invested. The deposits are with United Kingdom and Irish banks and building societies and, therefore, no provision is made for possible loss of principal.

31st March 2004		31st March 2005
£		£
1,000,000	Local Authorities	0
3,500,000	Clearing Banks	9,500,000
0	Subsidiaries of Clearing Banks	0
3,500,000	Banks, other	2,000,000
6,000,000	Building Societies with assets:	
	greater than £6,000 million	8,500,000
17,500,000	between £1,000 million and £6,000 million	9,500,000
11,000,000	between £250 million and £1,000 million	8,000,000
110	Government Securities	110
<u>42,500,110</u>	Total	<u>37,500,110</u>

7. CREDITORS

31st March 2004		31st March 2005
£		£
(399,309)	Government Departments	(1,500,082)
(944,952)	Non-Domestic Ratepayers	(585,790)
(503,586)	Council Tax	(776,724)
(138,918)	Housing Rents	(123,924)
(540,995)	Cambridgeshire County Council	(468,031)
(168,645)	Cambridge City Council	(105,329)
(14,519)	Staff Salaries and Wages	(8,375)
(3,283,029)	Sundry Creditors	(2,618,987)
<u>(5,993,953)</u>	Total	<u>(6,187,242)</u>

8. DEFERRED CREDITS AND GRANTS

31st March 2004		31st March 2005
£		£
(267,004)	Deferred Capital Receipts	(267,004)
(377,088)	Deferred Government Grants	(556,603)
(1,027)	Outstanding Obligations-Finance leases	0
<u>(645,119)</u>	Total	<u>(823,607)</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. RESERVES

	31st March 2004	Transactions during year	31st March 2005
	£	£	£
Earmarked Reserves			
Capital			
Preservation of Historic Buildings	(169,611)	12,625	(156,986)
Arts Grants	(181,213)	1,178	(180,035)
Recreation and Leisure	(535,539)	0	(535,539)
Dual Use Recreational Facilities	(1,770,769)	(87,500)	(1,858,269)
Planning Projects	(567,243)	320,557	(246,686)
Other	(717,769)	(24,361)	(742,130)
Revenue			
Information Technology Reserve	(132,883)	40,840	(92,043)
Other	(927,785)	(92,777)	(1,020,562)
	<u>(5,002,812)</u>	<u>170,562</u>	<u>(4,832,250)</u>
Total - Capital	(3,942,144)	222,499	(3,719,645)
Revenue	(1,060,668)	(51,937)	(1,112,605)
	<u>(5,002,812)</u>	<u>170,562</u>	<u>(4,832,250)</u>

10. ANALYSIS OF NET ASSETS EMPLOYED

31st March 2004		31st March 2005
£		£
(16,145,930)	General Fund	(13,301,892)
(422,339,336)	Housing Revenue Account	(466,431,165)
<u>(27,956)</u>	Direct Service Organisation	<u>(26,956)</u>
(438,513,222)		(479,760,013)
(95,555,999)	Capital Financing Account	(100,682,722)
<u>8,292,000</u>	Pensions Reserve	<u>20,077,000</u>
<u>(525,777,221)</u>		<u>(560,365,735)</u>

11. CONTINGENT LIABILITIES, POST BALANCE SHEET EVENTS AND PROVISIONS

The only provisions in the balance sheet relate to bad and doubtful debts and have been netted off debtors. There are no known contingent liabilities or post balance sheet events.

12. PENSIONS

The Authority participates in the funded Local Government Pension Scheme, which is a defined benefit scheme, and also provides unfunded discretionary benefits, both of which are administered by Cambridgeshire County Council. The contribution rate to the funded scheme in 2004/05 was determined by the administering authority's actuary based on the full actuarial valuation as at 31st March 2001 but not implemented until 1st April 2002.

In order to comply with the Financial Reporting Standard 17 (FRS17), Retirement Benefits, the latest actuarial valuation as at 31st March 2004 has been rolled forward in order to report on the position as at 31st March 2005. The information in the actuarial valuation as at 31st March for the purposes of FRS17 is:

2003/04		2004/05
2.9%	Inflation	2.9%
4.4%	Salary increases	4.4%
2.9%	Pension increases	2.9%
6.5%	Discount rate	5.4%

Expected rate of return on assets		
7.7%	Equities	7.7%
5.1%	Bonds	4.8%
6.5%	Property	5.7%
4.0%	Cash	4.8%

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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 to be:

31st March 2004			31st March 2005	
Estimated attributable assets/liabilities £,000	Asset distribution %		Estimated attributable assets/liabilities £,000	Asset distribution %
26,316	74.4%	Equities	29,107	73.5%
5,248	14.8%	Bonds	5,250	13.3%
2,253	6.4%	Property	3,848	9.7%
1,553	4.4%	Cash	1,392	3.5%
<u>35,370</u>	<u>100.0%</u>	Estimated attributable assets	<u>39,597</u>	<u>100.0%</u>
(42,440)		Estimated present value of scheme liabilities	<u>(58,404)</u>	
(7,070)		Deficit on funded scheme as determined by the actuary	(18,807)	
		Deficit on unfunded discretionary benefits	<u>(1,270)</u>	
<u>(1,222)</u>		Net pensions liability	<u>(20,077)</u>	
<u>(8,292)</u>				

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

STATEMENT OF TOTAL MOVEMENT IN RESERVES 2003/04

The statement of Total Movements in Reserves is a primary financial statement which brings together all the realised and recognised gains and losses of the Council during the year and identifies those which have not been recognised in the Consolidated Revenue Account.

	CAPITAL ACCOUNTS AND RESERVES					REVENUE BALANCES AND RESERVES			Total £
	Fixed Asset Restatement Account (Note 1) £	Capital Financing Account (Note 2) £	Usable Capital Receipts (Note 3) £	Specific Reserves* £	Pension Reserve £	General Fund £	Specific Reserves* (Including Collection Fund) £	Housing Revenue Account £	
	Balance at beginning of year	(321,507,793)	(83,973,342)	(28,446,557)	(3,657,237)	12,061,000	(10,417,726)	(1,573,383)	
Net (surplus)/deficit for year	0	9,751,821	0	(287,406)	(3,769,000)	1,322,657	791,303	672,454	8,481,830
Revaluation/review as at 1st April 2003	(84,553,437)	0	0	0	0	0	0	0	(84,553,437)
Impairment	38,375	0	0	0	0	0	0	0	38,375
Effects of disposals of fixed assets grants: Cost or value of assets disposed of	8,904,037	0	0	0	0	0	0	0	8,904,037
Proceeds of sale	0	(1,575,562)	(7,259,535)	0	0	0	0	0	(8,835,097)
Negative credit ceiling	0	0	(1,985,023)	0	0	0	0	0	(1,985,023)
Deferred charges written out	0	2,218,926	0	0	0	0	0	0	2,218,926
Financing of:									
Fixed Assets	0	(19,770,256)	10,340,290	0	0	0	0	0	(9,429,966)
Deferred Charges	0	(2,218,926)	750,000	0	0	0	0	0	(1,468,926)
Credit cover for credit arrangement (net of liability)	0	11,340	0	0	0	0	0	0	11,340
Balance at end of year	(397,118,818)	(95,555,999)	(26,600,825)	(3,944,643)	8,292,000	(9,095,069)	(782,080)	(2,956,811)	(527,762,244)

* These specific reserves relate solely to the General Fund and are itemised in Note 10 to the Consolidated Balance Sheet.

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

STATEMENT OF TOTAL MOVEMENT IN RESERVES 2004/05

The statement of Total Movements in Reserves is a primary financial statement which brings together all the realised and recognised gains and losses of the Council during the year and identifies those which have not been recognised in the Consolidated Revenue Account.

	CAPITAL ACCOUNTS AND RESERVES					REVENUE BALANCES AND RESERVES			Total £
	Fixed Asset Restatement Account (Note 1) £	Capital Financing Account (Note 2) £	Usable Capital Receipts (Note 3) £	Specific Reserves* £	Pension Reserve £	General Fund £	Specific Reserves* (Including Collection Fund) £	Housing Revenue Account £	
	Balance at beginning of year	(397,118,818)	(95,555,999)	(26,600,825)	(3,944,643)	8,292,000	(9,095,069)	(782,080)	
Net deficit for year	0	6,000,761	0	222,499	11,785,000	2,443,316	175,828	900,689	21,528,093
Revaluation/review as at 1st April 2004	(52,763,175)	0	0	0	0	0	0	0	(52,763,175)
Effects of disposals of fixed assets grants: Cost or value of assets disposed of	8,912,960	0	0	0	0	0	0	0	8,912,960
Effects of amounts payable to the housing capital receipts pool	0	0	1,049,551	0	0	0	0	0	1,049,551
Proceeds of sale	0	0	(9,244,027)	0	0	0	0	0	(9,244,027)
Deferred charges written out	0	1,450,819	0	0	0	0	0	0	1,450,819
Financing of:									
Fixed Assets	0	(11,138,824)	7,983,290	0	0	0	0	0	(3,155,534)
Deferred Charges	0	(1,450,819)	1,057,300	0	0	0	0	0	(393,519)
Credit cover for credit arrangement (net of liability)	0	11,340	0	0	0	0	0	0	11,340
Balance at end of year	(440,969,033)	(100,682,722)	(25,754,711)	(3,722,144)	20,077,000	(6,651,753)	(606,252)	(2,056,122)	(560,365,737)

* These specific reserves relate solely to the General Fund and are itemised in Note 10 to the Consolidated Balance Sheet.

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

This account shows the increase in the value of fixed assets as a result of the revaluation of those assets. The balance is written down by the net book value of disposed assets and is debited or credited with decreases or increases arising on revaluations.

Total 2003/04		General Fund	Housing Revenue Account	Total 2004/05
£		£	£	£
(321,507,793)	Revaluation as at 1st April 2001 of fixed assets less prior year disposals	(2,352,095)	(394,766,723)	(397,118,818)
(84,553,437)	Revaluation as at 1st April of fixed assets	(624,412)	(52,138,763)	(52,763,175)
38,375	Impairment of fixed assets	0	0	0
8,904,037	Disposal of fixed assets	882,488	8,030,472	8,912,960
<u>(397,118,818)</u>		<u>(2,094,019)</u>	<u>(438,875,014)</u>	<u>(440,969,033)</u>

2. CAPITAL FINANCING ACCOUNT

This account contains the amount of capital expenditure financed from capital receipts, grants and revenue and the amount charged to revenue for depreciation/amortisation.

Total 2003/04		General Fund	Housing Revenue Account	Total 2004/05
£		£	£	£
(83,973,342)	Balance at beginning of year			(95,555,999)
	Add capital expenditure financed from;			
	capital receipts			
(11,087,867)	usable	(1,747,401)	(5,114,483)	(6,861,884)
(6,236,812)	reserved(negative credit ceiling)	0	(1,985,023)	(1,985,023)
(1,653,591)	revenue	(538,452)	(2,685)	(541,137)
(77,818)	grants and reserves	(157,929)	(34,127)	(192,056)
(2,933,094)	Major Repairs Allowance	0	(3,009,543)	(3,009,543)
	Add/less set aside from;			
(1,575,562)	capital receipts excluding SHG	0	0	0
6,236,812	negative credit ceiling	0	1,985,023	1,985,023
3,515,009	Less depreciation/amortisation	1,006,195	3,009,543	4,015,738
2,218,926	Less deferred charges written out	1,450,819	0	1,450,819
	Less liability in respect of credit arrangement	0	11,340	11,340
<u>11,340</u>		<u>0</u>	<u>11,340</u>	<u>11,340</u>
<u>(95,555,999)</u>				<u>(100,682,722)</u>

3. USABLE CAPITAL RECEIPTS RESERVE

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

Total 2003/04		General Fund	Housing Revenue Account	Total 2004/05
£		£	£	£
(28,446,557)	Balance at beginning of year	0	(26,600,825)	(26,600,825)
	Add			
(8,835,097)	Capital receipts received during year from sale of assets	(2,195,767)	(7,048,260)	(9,244,027)
	Less			
11,087,867	Capital receipts applied during year	1,747,401	7,099,505	8,846,906
2,423	Capital receipts transferred to reserves	193,684	0	193,684
0	Capital receipt payments to ODPM	0	1,049,551	1,049,551
1,575,562	Capital receipts set aside during year (statutory)	0	0	0
(24,615,802)		(254,682)	(25,500,029)	(25,754,711)
(1,985,023)	Negative Credit Ceiling			
(26,600,825)				

4. PENSIONS

The Code of Practice requires the movement in the Pensions Reserve to be given over a five year period beginning from the introduction of FRS17.

	Year to 31st March 2003		Year to 31st March 2004		Year to 31st March 2005	
	£'000	%	£'000	%	£'000	%
Differences between the expected and actual return on assets	(10,300)	(36.3)	4,970	14.1	1,909	4.8
Differences between actuarial assumptions and actual experience on liabilities	210	0.0	(10)	0.0	(3,667)	0.0
Changes in demographic and financial assumptions underlying the present value of the scheme liabilities	0		0		(10,729)	18.0
Actuarial gain / (loss)	<u>(10,090)</u>		<u>4,960</u>		<u>(12,487)</u>	
Net appropriation to Consolidated Revenue Account from pension reserve / liability	(346)		(1,361)		(520)	
Appropriation to Consolidated Revenue Account in respect of pension liabilities	0		236		0	
Reassessment of / adjustment for opening balance for unfunded benefits	0		(66)		1,222	
Movement in Pensions Reserve	<u>(10,436)</u>		<u>3,769</u>		<u>(11,785)</u>	