



F. Principal Financial Statements

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Movement in Reserves Statement

This Statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be used to fund expenditure or reduce Council Tax) and other reserves. The surplus or (deficit) on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Account for Council Tax and dwellings rent setting purposes, respectively. The net Increase/Decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority.

A summary of the purpose of each reserve is as follows:

General Fund Balance – This is the 'working balance' of the Authority and acts as a contingency to fund unforeseen eventualities.

Housing Revenue Account – This contains any surplus or deficit arising from the provision of Authority housing by the Authority and earmarked Housing Revenue Account reserves. It can only be used for local authority housing provision. As at 31 March 2016, the Housing Revenue Account working balance stood at £2.816m.

Earmarked General Fund Reserves – These are reserves created to fund specific revenue or capital expenditure relating to the General Fund.

Capital Receipts Reserve – Proceeds from the sale of Authority assets are paid into this reserve which can be used to finance capital expenditure or repay debt.

Major Repairs Reserve – This reserve receives a transfer from the Capital Financing Account equivalent to the total depreciation charged to the Housing Revenue Account and can only be used to fund major Housing Revenue Account repairs.

Capital Grants Unapplied – This reserve contains Government grants and other contributions which are held to finance future capital expenditure.

Unusable Reserves – The major reserves included in this category are the Revaluation Reserve, Pension Reserve and Capital Adjustment Account. Their purpose is of a technical accounting nature and cannot be used to support the services of the Authority. They are explained in more detail in note 32.

Movement in Reserves Statement for the years Ending 31 March 2015 and 31 March 2016

	Notes	General Fund Balance	Earmarked General Fund Reserves	Housing Revenue Account	Earmarked Housing Revenue Account Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 31 March 2014		5,000	42,557	1,969	0	0	138	17,702	67,366	393,935	461,301
Movement in reserves during 2014/15											
Surplus/(Deficit) on provision of services		(103,175)	0	4,970					(98,206)		(98,206)
Other Comprehensive Income and Expenditure									0	(46,058)	(46,058)
Total Comprehensive Income and Expenditure		(103,175)	0	4,970	0	0	0	0	(98,206)	(46,058)	(144,264)
Adjustments between accounting & funding basis under regulations	1	95,170	0	(4,698)		2,014	531	(1,620)	91,396	(91,397)	0
Net Increase/decrease before Transfers to Earmarked Reserves		(8,006)	0	271	0	2,014	531	(1,620)	(6,809)	(137,455)	(144,264)
Transfers to/from Earmarked Reserves	2	8,005	(8,005)	(6)	6	0	0	0	0	0	0
Increase/(Decrease) in 2014/15		0	(8,006)	266	6	2,014	531	(1,620)	(6,809)	(137,455)	(144,264)
Balance at 31 March 2015		5,000	34,551	2,235	6	2,014	669	16,082	60,557	256,480	317,037

	Notes	General Fund Balance	Earmarked General Fund Reserves	Housing Revenue Account	Earmarked Housing Revenue Account Reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 31 March 2015		5,000	34,551	2,235	6	2,014	669	16,082	60,557	256,480	317,037
Movement in reserves during 2015/16											
Surplus/(Deficit) on provision of services		(95,125)		22,563					(72,562)		(72,562)
Other Comprehensive Income and Expenditure									0	63,720	63,720
Total Comprehensive Income and Expenditure		(95,125)	0	22,563	0	0	0	0	(72,562)	63,720	(8,842)
Adjustments between accounting & funding basis under regulations	1	92,084		(21,981)		(1,489)	(669)	(6,742)	61,202	(61,202)	0
Net Increase/decrease before Transfers to Earmarked Reserves		(3,041)	0	581	0	(1,489)	(669)	(6,742)	(11,360)	2,518	(8,842)
Transfers to/from Earmarked Reserves	2	3,042	(3,042)			0	0	0	0	0	0
Increase/(Decrease) in 2015/16		0	(3,042)	581	0	(1,489)	(669)	(6,742)	(11,360)	2,518	(8,842)
Balance at 31 March 2016		5,000	31,509	2,816	6	525	(0)	9,340	49,196	258,999	308,195

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Authority raises taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2014/2015			Service	Notes	2015/16		
Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000			Gross Expenditure £'000	Gross Income £'000	Net Expenditure £'000
3,807	(1,642)	2,165	Central services to the public		3,819	(1,373)	2,446
27,426	(8,020)	19,406	Cultural and related services		29,214	(8,711)	20,503
36,587	(9,324)	27,262	Environmental & regulatory services		37,141	(14,781)	22,360
20,151	(8,285)	11,866	Planning services		21,035	(6,946)	14,089
247,786	(145,358)	102,427	Children's and education services		223,061	(146,238)	76,823
42,583	(11,901)	30,682	Highways and transport services		41,335	(11,539)	29,796
7,140	(14,301)	(7,160)	Local authority housing (HRA)		(10,054)	(14,701)	(24,755)
118,976	(110,055)	8,921	Other housing services		114,036	(107,041)	6,995
87,393	(21,112)	66,281	Adult social care		96,222	(31,894)	64,328
5,872	(1,723)	4,150	Corporate and democratic core		5,334	(1,825)	3,509
5,469	(6,003)	(534)	Non-distributed costs		31,117	(33,342)	(2,225)
11,828	(14,507)	(2,679)	Public Health		17,905	(20,166)	(2,261)
615,018	(352,230)	262,788	Cost of Services		610,165	(398,557)	211,608
38,358	0	38,358	Other operating expenditure	3	47,204	0	47,204
20,639	(4,456)	16,183	Financing and investment income and expenditure	4	20,345	(4,731)	15,614
0	(219,124)	(219,124)	Taxation and non-specific grant income	5	0	(201,864)	(201,864)
674,016	(575,810)	98,206	(Surplus) or Deficit on Provision of Services		677,714	(605,152)	72,562
Items that will not be reclassified to the (Surplus) or Deficit on the Provision of Services							
(21,102)			(Surplus)/Deficit on revaluation of Property, Plant and Equipment assets	17			(32,170)
0			Impairment losses on non-current assets charged to the Revaluation Reserve				8,720
67,160			Re-measurement of net defined pension liability	33			(40,447)
46,058							(63,897)
Items that may be reclassified to the (Surplus) or Deficit on the Provision of Services							
0			(Surplus)/Deficit on revaluation of available for sale financial assets	17			177
0							177
46,058			Other Comprehensive Income and Expenditure				(63,720)
144,264			Total Comprehensive Income and Expenditure				8,842

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves are usable reserves, ie those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations.

31 March 2015	Balance Sheet Summary	Notes	31 March 2016
£'000			£'000
758,212	Property Plant and Equipment	<u>6</u>	734,548
15,380	Heritage Assets	<u>7</u>	15,850
6,450	Investment Property	<u>8</u>	6,819
1,175	Intangible Assets	<u>9</u>	1,264
0	Assets Held for Sale	<u>13</u>	0
19,737	Long Term Investments	<u>10</u>	22,556
155	Long Term Debtors	<u>10</u>	158
801,109	Long Term Assets		781,195
0	Short Term Investments	<u>10</u>	0
900	Assets Held for Sale	<u>13</u>	350
178	Inventories		116
43,894	Short Term Debtors	<u>11</u>	37,977
8,799	Cash and Cash Equivalents	<u>12</u>	0
53,772	Current Assets		38,443
0	Cash and Cash Equivalents	<u>12</u>	(1,250)
(1,277)	Short Term Borrowing	<u>10</u>	(9,271)
(43,711)	Short Term Creditors	<u>14</u>	(35,801)
(3,701)	Provisions	<u>15</u>	(3,826)
(48,690)	Current Liabilities		(50,148)
(38,695)	Long Term Creditors	<u>10</u>	(37,158)
(6,517)	Provisions	<u>15</u>	(4,888)
(164,729)	Long Term Borrowing	<u>10</u>	(171,526)
(271,642)	Other Long Term Liabilities	17,29	(240,283)
0	Grants Receipts in Advance - Revenue	<u>26</u>	0
(7,569)	Grants Receipts in Advance - Capital	<u>26</u>	(7,440)
(489,153)	Long Term Liabilities		(461,295)
317,037	Net Assets		308,195
60,557	Usable Reserves	<u>16</u>	49,196
256,480	Unusable Reserves	<u>17</u>	258,999
317,037	Total Reserves		308,195

Cash Flow Statement

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

2014/15 £'000		2015/16 £'000
98,206	Net (Surplus) or deficit on the provision of services	72,562
(116,710)	Adjustments to net Surplus or deficit on the provision of service for non-cash movements	(93,101)
28,666	Adjustments for items included in the net surplus or deficit on the provision of service that are investing or financing activities	3,089
10,162	Net cash flows from Operating Activities (Note 34)	(17,450)
20,216	Investing Activities (Note 35)	33,569
1,272	Financing Activities (Note 36)	(6,070)
31,650	Net (increase) or decrease in cash and cash equivalents	10,049
40,449	Cash and cash equivalents at the beginning of the reporting period	8,799
8,799	Cash and cash equivalents at the end of the reporting period (Note 27)	(1,250)