

Appendix 7

Note 35. Unusable Reserves (continued)

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or additions to those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert current and fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the authority as finance for the costs of acquisition, construction and subsequent costs.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 19 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2017/18		2018/19	
	£'000	£'000	£'000	£'000
Balance as at 1 April		(321,689)		(296,114)
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:				
• Charges for depreciation and impairment of non-current assets	33,418		26,467	
• Revaluation gains on Property, Plant and Equipment	(7,342)		3,295	
• Amortisation of Intangible Assets	348		731	
• Revenue Expenditure funded from Capital Under Statute	11,850		13,222	
• Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	43,502		8,078	
		81,776		51,793
Adjusting amounts written out of the Revaluation Reserve	(20,140)		(7,094)	
Other adjustments	0			
Net written out amount of the cost of non-current assets consumed in the year		(20,140)		(7,094)
Capital financing applied in the year:				
• Use of Capital Receipts Reserve to finance new capital expenditure	(2,382)		(2,415)	
• Use of the Major Repairs Reserve to finance new capital expenditure	(3,512)		(3,589)	
• Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(21,978)		(20,341)	
• Application of grants to capital financing from the Capital Grants Unapplied Account	(2,501)		(4,788)	
• Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(4,855)		(4,609)	
• Capital expenditure charged against the General Fund and HRA balances	(2,033)		(564)	
		(37,261)		(36,305)
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement		1,200		(1,722)
Balance as at 31 March		(296,114)		(289,442)