

# Statement of Total Movements in Reserves

	Capital Reserves				Revenue Reserves			Total Reserves £000
	Fixed Asset Restatm't Reserve £000	Capital Financing Reserve £000	Capital Receipts Reserve £000	Capital Reserve £000	General County Fund £000	Other Revenue Reserves £000	Pension Reserve £000	
Notes:	1	2	3	4	5	6	7	
<b>Balance at 31 March 2003</b>	<b>265,067</b>	<b>123,613</b>	<b>535</b>	<b>142</b>	<b>19,804</b>	<b>7,948</b>	<b>(187,292)</b>	<b>229,817</b>
Surplus/(Deficit) on revaluation of fixed assets	36,889							36,889
Impairment losses on fixed assets								
Effects of the disposal of fixed assets:								
- Cost/Value of assets disposed of	(3,114)							(3,114)
- Proceeds of disposals			5,598					5,598
Appropriation from pension reserve							(6,969)	(6,969)
Actuarial gains and losses relating to pensions							76,650	76,650
	33,775	-	5,598	-	-	-	69,681	109,054
Expenditure not increasing valuation of assets	(12,042)							(12,042)
Financing of fixed assets		3,544	(2,264)			(764)		516
Other movements in reserves		2,272			7,795	2,301	(2,432)	9,936
<b>Net Surplus/(Deficit) during the year</b>	<b>21,733</b>	<b>5,816</b>	<b>3,334</b>	<b>-</b>	<b>7,795</b>	<b>1,537</b>	<b>67,249</b>	<b>107,464</b>
<b>Balance at 31 March 2004</b>	<b>286,800</b>	<b>129,429</b>	<b>3,869</b>	<b>142</b>	<b>27,599</b>	<b>9,485</b>	<b>(120,043)</b>	<b>337,281</b>

# Notes to the Statement of Total Movements in Reserves

## 1. Fixed asset restatement reserve

	£000	£000
Balance at 31 March 2003		265,067
Expenditure not increasing valuation of assets	(12,042)	
Disposal of fixed assets	(3,114)	
Increase in valuation of assets	36,889	
<b>Balance at 31 March 2004</b>		<b>286,800</b>

## 2. Capital financing reserve

	£000	£000
Balance at 31 March 2003		123,613
Capital financing:		
- usable receipts	2,264	
- revenue & reserves	1,280	
Excess Depreciation over Minimum Revenue Provision	(2,368)	
Impairment losses on fixed assets	0	
Depreciation on grant aided services (release of grant)	495	
Write off from Government Grants Deferred	6,548	
Principal repayment under deferred purchase	150	
Less: Principal repayments of transferred debt	(2,553)	
<b>Balance at 31 March 2004</b>		<b>129,429</b>

## 3. Usable capital receipts reserve

	£000
Balance at 31 March 2003	535
Capital receipts received	5,598
less: Capital receipts used to finance capital expenditure	(2,264)
<b>Balance at 31 March 2004</b>	<b>3,869</b>

#### 4. Movements in capital reserve during the year

	<b>£000</b>
Balance at 31 March 2003	142
Transfers from revenue	-
<b>Balance at 31 March 2004</b>	<b>142</b>

#### 5. General County Fund

The balance of the fund as at 31 March 2004, £27.599m, contains the following earmarked sums:

	<b>£000</b>
Delegated Funding for Schools	15,751
Other Education establishments with devolved budgets	496
Carry forward of underspendings across other services	3,868
Carry forward of resources for funding of Capital	137
<b>Earmarked Reserves at 31 March 2004</b>	<b>20,252</b>

Thus, the uncommitted balance is restricted to **£7.347m**.

#### 6. Movements in other revenue reserves during the year

	<b>Balance at 31 March 2003</b>	<b>Appropriations</b>		<b>Balance at 31 March 2004</b>
		<b>From Revenue</b>	<b>To Revenue / Capital</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Insurance	1,958	1,871	(73)	3,756
Renewals of vehicles and equipment	3,151	429	(557)	3,023
DLO / BLN	35	0	(35)	0
Contingent Liabilities	337	3	(288)	52
Industrial properties	725	99	0	824
Central Maintenance Fund	1,399	0	(372)	1,027
Job Evaluation	0	450	0	450
Other	343	70	(60)	353
<b>TOTAL</b>	<b>7,948</b>	<b>2,922</b>	<b>(1,385)</b>	<b>9,485</b>

The net movement on revenue reserves does not equal the amount shown as 'transfers to / from revenue reserves' in the consolidated revenue account due to the method of accounting for self-insurance and the financing of capital expenditure.

## 7. Pension Reserve actuarial gain

The actuarial gain can be further analysed as follows:

	<b>£000</b>	<b>%</b>
Actual return less expected return on pension scheme assets	76,630	15.0%
Experience gains on pension liabilities	20	0.0%
Changes in assumptions underlying the present value of pension liabilities	0	0.0%
	76,650	

# Cash Flow Statement

2002/03 £000		2003/04		
		£000	£000	£000
	<b>Revenue Activities</b>			
384,116	Cash outflows:			
243,210	Cash paid to and on behalf of employees	388,647		
	Other operating costs	293,636		
627,326			682,283	
(161,446)	Cash inflows:			
(162,341)	Precepts on district councils	(178,493)		
(119,944)	Non-domestic rate income	(163,571)		
(102,025)	Revenue support grant	(154,606)		
(112,641)	Other government grants	(112,931)		
(2,966)	Cash received for goods and services	(103,730)		
(661,363)	Other revenue cash income	(6,876)		
			(720,207)	
<b>(34,037)</b>	<b>Revenue activities cash flow</b>			<b>(37,924)</b>
	<b>Servicing of Finance</b>			
16,631	Cash outflows:			
0	Interest paid	16,691		
566	Premium paid	1,831		
17,197	Lease rentals	489		
			19,011	
(7,551)	Cash inflows:			
9,646	Interest received		(7,319)	
				11,692
	<b>Capital Activities</b>			
39,216	Cash outflows:			
(17)	Purchase of fixed assets	45,170		
39,199	Other capital cash payments	591		
			45,761	
(3,347)	Cash inflows:			
(9,707)	Sale of fixed assets	(5,598)		
(8,612)	Capital grants received	(8,283)		
(21,666)	Other capital contributions	(6,020)		
17,533			(19,901)	
<b>(6,858)</b>	<b>Net cash inflow before Financing</b>			<b>25,860</b>
				<b>(372)</b>
	<b>Management of Liquid Resources</b>			
24,917	Net increase/(decrease) in short term Investments			<b>(2,274)</b>
	<b>Financing</b>			
150	Cash outflows:			
	Repayments of amounts borrowed		42,391	
(12,000)	Cash inflows:			
(11,850)	New loans raised		(50,000)	
				<b>(7,609)</b>
<b>6,209</b>	<b>(Increase) / Decrease in Cash</b>			<b>(10,255)</b>

# Notes to the Cash Flow Statement

## 1. Analysis of changes in Net Debt

	Balance 31 March 2003 £000	Balance 31 March 2004 £000	Cash Movement In Year £000
<b>Movement in cash</b>			
Cash overdrawn	(18,057)	(7,942)	10,115
Cash with accounting officers and schools	2,043	2,183	140
<b>Net increase/ (decrease) in cash</b>	<b>(16,014)</b>	<b>(5,759)</b>	<b>10,255</b>
<b>Financing</b>			
Borrowing repayable on demand or within 1 year	(12,150)	(10,150)	<b>(2,000)</b>
Long term borrowing repayable after 1 year	(244,471)	(254,080)	9,609
<b>Management of Liquid Resources</b>			
Short term investments	88,315	86,041	<b>(2,274)</b>

## 2. Reconciliation of surplus in consolidated revenue account to revenue activities cash flow

	£000	£000
Surplus for the year		7,795
Non cash transactions -		
Movement on provisions	(1,547)	
Movement on reserves	1,537	
Depreciation of fixed assets	10,403	
Internal capital financing and other non-cash items	(2,512)	7,881
Items on an accruals basis -		
Change in creditors	1,958	
Change in debtors	1,078	
Change in long term debtors	2,432	
Change in other current assets	39	
Change in other current liabilities	4,561	
Change in stocks and work in progress	488	10,556
Items classified elsewhere in the cash flow servicing of finance		11,692
<b>Net cash inflow from revenue activities</b>		<b>37,924</b>

### 3. Revenue Cash from specific Government Grants

	£000	£000
Education		
Early Years & Childcare	1,354	
School Standards	11,257	
Student Awards	908	
Standards Fund	16,352	
Devolved Capital	7,834	
Teachers Salary	9,857	
Learning & Skills Council	31,698	
		79,260
Magistrates Courts		4,921
Social Services		
Supporting People	7,457	
Quality Protects	1,598	
Performance Fund	918	
Carers Grant	882	
Mental Health	1,087	
Care Leavers	1,650	
Residential Allowance	1,630	
Preserved Rights	4,201	
Access & Systems Capacity	1,628	
		21,051
Other		7,699
		112,931

# Trading Accounts for the year ended 31 March 2004

## Income and Expenditure 2003/04

	Highways DLO £000	County Catering £000	TOTAL £000
Income	24,131	967	25,098
Expenditure	23,476	986	24,462
(Surplus)/Deficit in 2003/04	(655)	19	(636)
(Surplus)/Deficit in 2002/03	(405)	16	(389)

### 1. Operations

During the year the authority operated two separate Accounts, which undertake trading activities of a material nature.

#### i) Leicestershire Highways

Leicestershire Highways is a business unit of the Highways, Transportation and Waste Management Department and its principal activities cover the maintenance and improvement of principal and county roads, the maintenance and erection of street lighting and the operation and maintenance of vehicles and plant.

#### ii) County Catering (Leicestershire County Catering Service)

The DSO provides a catering service to staff within County Hall.