

## Statement of Total Movements in Reserves

2004/05 £000		Note	2005/06 £000	
	Surplus for the year:			
6,163	General County Fund		593	
1,755	Add back movements on earmarked revenue reserves		6,979	
(134)	Deduct appropriation to pensions reserve		(6,398)	
(89,496)	Actuarial losses relating to pensions		(4,602)	
(1,267)	Other movements in pension reserves		4,760	
0	Deferred premium movements		725	
<b>(82,979)</b>	<b>Total increase/(decrease) in revenue resources</b>	1		<b>2,057</b>
643	Increase/(decrease) in useable capital receipts		(2,154)	
(7,105)	Decrease in unapplied capital grants and contributions		(1,912)	
<b>(6,462)</b>	<b>Total decrease in realised capital resources</b>	2		<b>(4,066)</b>
<b>(684)</b>	<b>Total increase/(decrease) in unrealised value of fixed assets</b>	3		<b>17,129</b>
<b>(1,539)</b>	Value of assets sold, disposed of or decommissioned	3		<b>(4,498)</b>
5,568	Capital receipts applied to finance capital expenditure		5,967	
(4,191)	Revenue resources set aside		(8,371)	
31,001	Movement on government grants deferred		25,163	
<b>32,378</b>	<b>Total increase in amounts set aside to finance capital investment</b>	4		<b>22,759</b>
<b>(59,286)</b>	<b>Total recognised gains/(losses)</b>			<b>33,381</b>

# Notes to the Statement of Total Movements in Reserves

## 1. Movements in revenue resources

	County fund balance £000	Earmarked revenue reserves £000	Pensions reserve £000	Deferred premium £000
Balance brought forward at 1 April 2005	33,762	12,062	(203,460)	(6,638)
Surplus	593			
Appropriations (to)/from revenue		6,979	(6,398)	
Actuarial losses relating to pensions			(4,602)	
Adjustment to opening position			4,760	
Amortisation of deferred premium				246
Premiums paid				479
Total movements in revenue resources	<b>593</b>	<b>6,979</b>	<b>(6,240)</b>	<b>725</b>
<b>Balance carried forward at 31 March 2006</b>	<b>34,355</b>	<b>19,041</b>	<b>(209,700)</b>	<b>(5,913)</b>

## 2. Movements in realised capital resources

	Unapplied capital receipts £000	Unapplied capital grants and contributions £000
Balance brought forward at 1 April 2005	4,512	9,572
Amounts receivable	3,813	
Amounts applied to finance new capital investments	(5,967)	(630)
Transfer of Developer Contributions to Creditors		(1,282)
Total (decrease) in realised capital resources	<b>(2,154)</b>	<b>(1,912)</b>
<b>Balance carried forward at 31 March 2006</b>	<b>2,358</b>	<b>7,660</b>

### 3. *Movements in unrealised value of fixed assets*

	<b>Fixed asset restatement account £000</b>
Balance brought forward at 1 April 2005	284,577
Gains on revaluation of fixed assets	54,008
Expenditure not increasing valuation of assets	(36,879)
Total increase in unrealised capital resources	17,129
Amounts written off fixed asset balances for disposals	(1,566)
Transfer of Magistrates Courts' assets to HMCS	(2,932)
Total movement on reserve	12,631
<b>Balance carried forward at 31 March 2006</b>	<b>297,208</b>

### 4. *Movements in amounts set aside to finance capital investment*

	<b>Capital financing account £000</b>	<b>Grants and contributions deferred £000</b>
Balance brought forward at 1 April 2005	147,675	43,504
Total capital receipts applied to finance capital expenditure	5,967	
Revenue resources set aside:		
Capital expenditure financed from revenue and reserves	1,532	
Reconciliation of amount required for repayment of external loans	(12,764)	
Other movements in reserves:		
Principal repayment under deferred purchase	150	
Principal repayments of transferred debt	(2,559)	
Financing of ESPO warehouse by loan	12,500	
Transfer of Magistrates Courts to HMCS	(8,005)	
Total revenue resources set aside	(9,146)	
Grants applied to capital investment		28,140
Amounts credited to asset management revenue account	775	(775)
Transfer of Magistrates Courts to HMCS		(1,627)
Income relating to expenditure on deferred charges		(575)
Movement on government grants deferred		25,163
Write off from government grants deferred	16,472	(16,472)
Total increase in amounts set aside to finance capital investment	<b>14,068</b>	<b>8,691</b>
<b>Balance carried forward at 31 March 2006</b>	<b>161,743</b>	<b>52,195</b>

5. The actuarial gains/losses identified as movements on the Pensions Reserve in 2005/06 can be analysed into the following categories, measured as absolute amounts and as a percentage of assets or liabilities.

	2002/03		2003/04		2004/05		2005/06	
	£000	%	£000	%	£000	%	£000	%
Difference between the expected and actual return on assets	(133,666)	(32.9)	76,630	15.0	19,270	3.4	96,200	13.8
Difference between actuarial assumptions about liabilities and actual experience	(268)	(0.3)	(2,180)	(0.3)	16,204	2.1	(902)	0.2
Changes in the demographic and financial assumptions used to estimate liabilities					(124,970)	(16.2)	(99,900)	(109)
	<b>(133,934)</b>		<b>74,450</b>		<b>(89,496)</b>		<b>(4,602)</b>	

# Cash Flow Statement

2004/05 £000		2005/06		
		£000	£000	£000
	<b>Revenue Activities</b>			
	Cash outflows:			
410,840	Cash paid to and on behalf of employees	439,899		
288,952	Other operating costs	314,244		
699,792			754,143	
	Cash inflows:			
(184,290)	Precepts on district councils	(191,022)		
(155,171)	Non-domestic rate income	(188,473)		
(174,415)	Revenue support grant	(165,299)		
(122,151)	Other government grants	(139,494)		
(99,922)	Cash received for goods and services	(101,822)		
(4,623)	Other revenue cash income	(3,825)		
(740,572)			(789,935)	
<b>(40,780)</b>	<b>Revenue activities cash inflow</b>			<b>(35,792)</b>
	<b>Servicing of Finance</b>			
	Cash outflows:			
17,076	Interest paid	19,641		
333	Premiums paid	(479)		
127	Lease rentals	131		
17,536			19,293	
(7,758)	Cash inflows:			
	Interest received		(9,721)	
<b>9,778</b>				<b>9,572</b>
	<b>Capital Activities</b>			
	Cash outflows:			
58,654	Purchase of fixed assets	81,486		
545	Other capital cash payments	8,889		
59,199			90,375	
(6,210)	Cash inflows:			
(18,931)	Sale of fixed assets	(3,813)		
(3,611)	Capital grants received	(19,909)		
	Other capital contributions	(6,893)		
(28,752)			(30,615)	
<b>30,447</b>				<b>59,760</b>
<b>(555)</b>	<b>Net cash (inflow)/ outflow before Financing</b>			<b>33,540</b>
	<b>Management of Liquid Resources</b>			
<b>19,963</b>	Net increase in investments			<b>40,991</b>
	<b>Financing</b>			
	Cash outflows:			
23,969	Repayments of amounts borrowed		36,024	
(50,000)	Cash inflows:			
	New loans raised		(108,142)	
<b>(26,031)</b>				<b>(72,118)</b>
<b>(6,623)</b>	<b>(Increase)/Decrease in Cash</b>			<b>2,413</b>

# Notes to the Cash Flow Statement

## 1. Analysis of changes in Net Debt

	Balance 31 March 2005 £000	Balance 31 March 2006 £000	Cash Movements In Year £000
<b>Movement in cash</b>			
Cash overdrawn	(4,699)	(6,772)	(2,073)
Cash with accounting officers & schools	5,563	5,223	(340)
<b>Net (decrease) in cash</b>	(864)	(1,549)	(2,413)
<b>Financing</b>			
Borrowing repayable on demand or within 1 year	(10,150)	(650)	9,500
Long term borrowing repayable after 1 year	(280,111)	(361,729)	(81,618)
<b>Management of Liquid Resources</b>			
Investments	106,004	146,995	40,991

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

	£000	£000
<b>Surplus for the year</b>		593
<b>Non cash transactions</b>		
Movement on provisions	1,983	
Movement on reserves	6,979	
Depreciation of fixed assets and impairment	16,248	
Deferred Charges written off to revenue	8,314	
Internal capital financing and other non cash items	(5,138)	
		28,386
<b>Revenue items on an accruals basis</b>		
Change in creditors	17,369	
Change in debtors	(5,879)	
Change in long term debtors	(8,863)	
Change in other current assets	(6,886)	
Change in other current liabilities	1,589	
Change in stocks and work in progress	(89)	
		(2,759)
<b>Items classified elsewhere in the statement servicing of finance</b>		9,572
<b>Net cash inflow from revenue activities</b>		<b>35,792</b>

### 3. Revenue Cash from specific Government Grants

	2004/05		2005/06	
	£000		£000	
Chief Executives – Home Office Drug Intervention & Young People's Substance Misuse		0		879
Education – Dept for Education & Skills				
School Standards	14,961		11,819	
Standards Fund	19,350		19,445	
Teachers Salary	10,314		11,748	
Transitional Support	4,607		1,856	
Learning & Skills Council	36,555		39,875	
		85,787		84,743
Highways – Dept of Transport Rural Bus		0		888
Magistrates Courts		5,385		0
Social Services – Dept of Health				
Supporting People	7,610		7,160	
Carers Grant	1,111		1,656	
Mental Health	1,046		1,200	
Residential Allowance	3,667		1,867	
Preserved Rights	4,039		3,084	
Access & Systems Capacity	4,443		5,660	
Delayed Discharges	972		983	
Mental Illness			629	
Safeguarding Children			770	
National Training Strategy			883	
		22,888		23,892
Other		6,107		4,945
<b>Total</b>		<b>120,167</b>		<b>115,347</b>