

Consolidated Balance Sheet as at 31 March 2002

31 March 2001 £000		Note	31 March 2002 £000	
	NET FIXED ASSETS			
420,568	Land and buildings	1-7	454,902	
76,713	Infrastructure		93,691	
4,204	Community assets		6,563	
12,230	Non-operational assets		3,861	
2,106	Vehicles, plant, furniture and equipment		2,094	
515,821				561,111
2,474	Deferred Charges	8		2,097
5,413	Deferred Premium	9		5,240
68,275	Long term debtors	11		65,150
591,983	Total Long Term Assets			633,598
	CURRENT ASSETS			
767	Stocks and work in progress	12	1,044	
28,762	Debtors	11	35,882	
3,024	Other current assets		3,210	
69,041	Short term investments	13	63,398	
1,857	Cash in hand		1,434	
103,451				104,968
	CURRENT LIABILITIES			
(150)	Borrowing repayable on demand or within 12 months		(150)	
(54,700)	Creditors	14	(51,381)	
(8,236)	Cash overdrawn		(11,239)	
(1,988)	Other current liabilities		(2,703)	
(65,074)				(65,473)
38,377	NET CURRENT ASSETS			39,495
630,360				673,093
	LONG TERM LIABILITIES			
(241,737)	Long term borrowing	15		(252,787)
(646)	Deferred liabilities			(594)
(42,914)	Grants and contributions deferred	16		(19,107)
(9,086)	Provisions	17		(11,071)
(12,931)	Capital Contributions unapplied	18		(10,256)
(307,314)				(293,815)
323,046	NET ASSETS			379,278
	REPRESENTED BY:			
225,038	Fixed asset restatement reserve	20		239,534
75,909	Capital financing reserve			117,069
0	Capital receipts unapplied			467
125	Other capital reserves			142
6,419	Revenue reserves			6,739
7,514	County fund: earmarked sums		9,147	
8,041	uncommitted balance		6,180	15,327
323,046				379,278

Notes to the Consolidated Balance Sheet

1. Movement of fixed assets during the year

	Land And Buildings £000	Infra-Structure £000	Community Assets £000	Non-Operational Assets £000	Vehicles, Plant & Equipment £000	Total £000
Net Book value as at 31 March 2001	420,568	76,713	4,204	12,230	2,106	515,821
Additions	16,962	19,067	2,324	0	2,209	40,562
Disposals	(1,539)	0	0	0	(9)	(1,548)
Transfers between asset types	8,031	0	0	(8,031)	0	0
Impairment	0	0	0	0	0	0
Revaluations and restatements	27,074	0	35	(338)	98	26,869
Expenditure not increasing valuation	(9,292)	0	0	0	(1,532)	(10,824)
Book value as at 31 March 2002	461,804	95,780	6,563	3,861	2,872	570,880
Less: Depreciation this year	(6,850)	(2,089)	0	0	(778)	(9,717)
Less: Writing down leased assets	(52)	0	0	0	0	(52)
Net book value as at 31 March 2002	454,902	93,691	6,563	3,861	2,094	561,111

2. Valuations of fixed assets carried at current value

The following statement shows the progress of the Council's rolling programme for the revaluation of fixed assets. The basis for valuation is set out in the statement of accounting policies on page 10 and 11. These values differ from note 1 above as these represent the gross values of the Fixed Assets as at the last revaluation whereas Note 1 includes depreciation since the last valuation.

	Land And Buildings £000	Infra-Structure £000	Community Assets £000	Non-Operational Assets £000	Vehicles, Plant & Equipment £000	Total £000
Valued at historical cost	-	83,545	4,238	-	2,026	89,809
Valued at current value at:						
1 st April 2001	158,730	-	-	1,030	-	159,760
1 st April 2000	144,828	-	-	1,333	-	146,161
1 st April 1999	46,870	-	-	537	-	47,407
1 st April 1998	69,553	-	-	391	-	69,944
1 st April 1997	31,531	-	-	174	-	31,705
Total	451,512	83,545	4,238	3,465	2,026	544,786

3. *Foundation Schools*

These schools remain vested in the Governing Bodies of the individual Foundation School, therefore these balances have not been included in the consolidated balance sheet. In this authority, there are four Foundation Schools with a fixed asset valuation of £9.154m as at 31 March 2002.

4. *Financing of capital expenditure on fixed assets and deferred charges during the year*

	£000
Total Capital Expenditure	41,670
Financed By:	
Credit Approvals	20,104
Usable Capital Receipts	2,293
Government Grants & Contributions from external bodies	16,589
Revenue Funding	1,922
Reserves and Provisions	762
	41,670

5. *Leased assets*

The County Council has acquired a variety of assets, principally industrial properties, vehicles, IT equipment and telephones, by means of finance leases. The capital value of assets acquired under such agreements, less accumulated depreciation, is as follows:

	Capital Value £000	Accumulated Depreciation £000	Net Value at 31 March 2002 £000
Land and buildings	1,291	697	594
Vehicles, plant and equipment	930	930	0
Total	2,221	1,627	594

6. *Capital commitments*

The County Council allocates and controls its available resources for capital expenditure via a rolling three year capital programme. The extent to which payments to contractors remain outstanding for schemes in the various annual programmes is as follows:

	2001/02 £000	2002/03 £000
2001/02 and earlier year schemes	3,588	242

Major contracts entered into during 2001/2002 and earlier, where significant payments remain to be made to contractors, include:

	£000
Education	
Loughborough Limehurst High - Replacement Annexe	446
Cosby Primary – Replacement Annexe & Replacement Demountable Classroom	363
Market Harborough Welland Park High – Additional Classrooms & Replacement Temporary Classrooms	355
Oadby Woodland Grange Primary Phase 2 – New Hall & Internal adaptations	334
Birstall Longslade – New Design Block	321
Lutterworth High – New Science Laboratory	260
Thurnby St Luke’s Primary – Extension and New Hall	238
Melton John Ferneley High – Major Electrical Rewire	123
Transport	
Ashby Bypass	280

7. Details of assets owned by the County Council

31 March 2001		31 March 2002
4,617 ha	Land This figure excludes highways land	4,713 ha
	Number of properties held by services –	
	Education	
1	Nursery school	1
227	Primary schools	227
50	Secondary schools (excl 4 foundation schools)	50
7	Special schools	7
3	Outdoor pursuits centres	3
2	Boarding homes	2
1	Teachers centres	1
5	Free standing youth and community centres	5
7	Client and Technical Support offices and depots	6
1	Common playing fields	1
	Social Services	
2	Children's homes and hostels	2
1	Community home with education	1
14	Homes for the elderly	14
6	Homes for adults with learning difficulties	6
1	Homes for the recovering mentally ill	1
3	Day nurseries and family centres	3
6	Day centres for people with learning difficulties	6
3	Day centres for the physically handicapped	3
8	Local offices	8
	Transport, Roads & Planning	
4,040 km	Principal and other roads	4057 km
8	Highways/DLO depots	8
	Waste Disposal	
14	Civic amenity sites (domestic) and transfer stations (domestic and trade)	14
	Other Properties	
1	County Hall	1
6	Administrative offices	6
1	Castle House	1
2	Staff houses	1
93	County Farms	90
94	School Caretakers' Houses	93
58	Properties acquired in advance of future developments and properties awaiting disposal	56
1	Training centres	1
	Community Assets	
17	Country Parks	17
10	Other Public Open Spaces	10
	Libraries and Information	
52	Libraries	52
	Museum and Arts	
3	Museums	3
1	Record Office	1
1	Storage Accommodation	0
1	Resources Centre	1
	Regulatory Services	
2	Offices for the Registration of Births, Deaths and Marriages	2
	Economic Development and Community Initiatives	
232	Industrial units	232
6	Magistrates Courts	6

8. *Deferred charges*

	£000
Balance at 31 March 2001	2,474
Expenditure	1,107
Amounts written off to capital financing reserve	(1,484)
Balance at 31 March 2002	2,097

9. *Deferred premium*

This represents the premiums payable upon the premature repayment of debt. This sum is charged to the revenue account over the lifetime of the replacement debt.

	£000
Balance at 31 March 2001	5,413
Premiums paid	0
Amounts charged to revenue account	(173)
Balance at 31 March 2002	5,240

10. *Related business, companies and consortia*

- i) The County Council is a member of the Eastern Shires Purchasing Organisation (ESPO) involved in the negotiation of contracts for supplies to its members and the provision of a central warehouse for the supply of items in common use. During 2001/2002 a surplus of £521,000 was reported on a turnover of £8.735m.
- ii) The County Council has been a member of BLN, which is a Consortium that contracts with the Highways Agency for the maintenance of trunk roads in Leicestershire, Nottinghamshire and part of South Yorkshire. This contract was terminated at the end of June 2002.
- iii) The County Council has been a member of PLAN (Parkman, Leicestershire and Nottinghamshire), a Consortium carrying out design and consultancy on trunk roads in parts of the East Midlands on behalf of the Highways Agency. This contract was also terminated at the end of June 2002.

11. Debtors

	31 March 2001 £000	31 March 2002 £000
Long Term Debtors (amounts falling Due after one year)		
Accommodation charges at Elderly Persons Homes	785	840
Car loans to employees	398	284
Outstanding debt relating to transferred services (e.g. Unitary Authorities, HE establishments, Police etc.)	67,070	64,139
Other long term debtors	148	113
Less: Provision for bad debts	(126)	(226)
Total	68,275	65,150
Current Debtors		
Government departments:		
Customs and Excise	1,542	2,136
Other government departments	1,004	1,969
Sundry debtors	26,723	32,853
Less: Provision for bad debts	(507)	(1,076)
Total	28,762	35,882

12. Stocks and work in progress

	31 March 2001 £000	31 March 2002 £000
Stocks		
Highways and DLO stores	478	566
Client and Technical Support Service	60	49
Museums	82	77
Other items	75	77
Sub Total	695	769
Work in Progress		
DLO	72	275
Total	767	1,044

13. Short term investments

Surplus cash balances are invested in short term deposits with a range of banks and other financial institutions. Included within this amount is £1.773m which is invested on behalf of Eastern Shires Purchasing Organisation and £0.937m on behalf of the Combined Fire Authority.

14. Creditors

	31 March 2001 £000	31 March 2002 £000
Government departments:		
Inland Revenue	7,559	7,582
Other government departments	7,712	3,989
Sundry creditors	39,429	39,810
Total	54,700	51,381

15. Long term borrowing

	Total Outstanding at 31 March:	
	2001 £000	2002 £000
Lender		
Public Works Loan Board	238,537	249,737
Banks and building societies	3,200	3,050
Total	241,737	252,787
Analysis of maturity of these loans:		
Maturing -		
Between 1 and 2 years	150	150
Between 2 and 5 years	450	450
Between 5 and 10 years	600	600
More than 10 years	240,537	251,587
Total	241,737	252,787

16. Grants and contributions deferred

	£000	£000
Balance at 31 March 2001		42,914
Transfer to Capital Financing Reserve		(31,726)
Add grants and contributions received to finance capital expenditure		8,206
Less: Release to Revenue Account		(287)
Balance at 31 March 2002		19,107

17. Provisions - Movements during the year

	Balance at 31 March 01 £000	Income £000	Expend- iture £000	Balance at 31 March 02 £000
DLO future liabilities and losses	469	564	469	564
Leased cars	266	1,214	1,201	279
Landscape projects	209	10	6	213
Industrial properties	91	0	91	0
Insurance	4,927	1,711	1,562	5,076
County Records Office	330	0	217	113
Property maintenance	1,760	2,193	1,898	2,055
Schools maintenance	660	3,311	3,125	846
Magistrates Courts restructuring	0	765	0	765
Social Services Mental Health Refunds	0	500	0	500
Other	374	862	576	660
Total	9,086	11,130	9,145	11,071

18. Capital contributions unapplied

	£000	£000
Balance at 31 March 2001		12,931
Net Transfer to grants deferred	(2,675)	
Balance at 31 March 2002		10,256

19. Memorandum Account - Provision for credit liabilities

Part IV of the Local Government and Housing Act 1989 requires authorities to set aside certain sums each year as a provision for redemption of outstanding debt. The financing of capital expenditure effectively avoids the need for new borrowing.

	£000	£000
Balance at 31 March 2001		-
Minimum Revenue Provision	10,005	
Financing of capital expenditure	(10,005)	
Balance at 31 March 2002		-

20. Reserves

See the 'Statement of Total Movements in Reserves' and notes thereto for further details on pages 33 to 35.

21. *Contingent Liabilities*

- i) Municipal Mutual Insurance Limited, the County Council's former insurers, ceased writing insurance business in September 1992. They have made a scheme of arrangements with creditors in the event of the company becoming insolvent. Claims are currently being paid in full and it is hoped that the Company's assets will enable all liabilities to be met. It should be noted that there is a contingent liability if the County Council is unable to recover all of the outstanding claims in ensuing years but the amount of any such liability is unquantifiable.
- ii) Independent Insurance Company Limited, the County Council's liability insurers for the period 1 November 1993 to 31 October 1998, went into provisional liquidation in June 2001. There is a contingent liability if the County Council is unable to recover all of the outstanding claims in ensuing years but the amount of any such liability is unquantifiable.
- iii) Projects that have been awarded lottery funds; if the assets provided are withdrawn from public use before the end of the agreed term, repayment of grant may be necessary.
- iv) In order to finance potential claims in respect of uninsured losses arising prior to Local Government Reorganisation in 1997, a contingent liabilities reserve was created in 1996/97 from which claims against the County Council could be financed.

22. *Self insurance*

Provisions and reserves are operated to meet the self-insured deductibles for the following policies, however, stop loss insurance applies to fire and public/employers' liability policies.

	Deductible per Claim
	£
Fire	100,000
Public/Employers' liability	100,000
Fidelity guarantee	100,000

Apart from Museums, the Authority has no general insurance cover for the theft of contents from buildings. Similarly the Authority has no insurance cover against storm damage, floods, burst pipes, malicious damage, impact, earthquake and accidental damage. Schools, however, have the option to join a group self insurance scheme to cover the above risks.

23. Trust funds (excluded from the balance sheet)

The County Council acts as trustee and/or administrator for approximately 40 prize funds, endowments, scholarships and bequests. The original bequests are invested in either the Council's trust fund pooling scheme or in a range of other direct external investments.

To the extent that income from these investments has not been utilised for prizes etc., the surplus funds are invested in short term deposits with various financial institutions.

Under regulations issued under the Charities Act 1993, trust fund accounts where annual income exceeds £10,000, require an independent examination

The main trust funds are as follows:

TRUST FUNDS	Balance at 31 March 2001 £000	Income £000	Expend- iture £000	Balance at 31 March 2002 £000
Ashby Upper School Mary Smith Bequest	45.5*	2.6	2.5	45.6
Barrow-on-Soar Humphrey Perkins Endowment	14.9	0.9	1.2	14.6
Longwill Bequest No. 2	21.2	1.3	-	22.5
Kibworth High School Endowment	276.5	18.8	30.6	264.7
Melton Schools Longwill Bequest No. 1	14.8	1.4	3.8	12.4
Loughborough Art and Technical Colleges Thomson Trust	16.0	0.9	-	16.9
Loughborough Technical School	220.2	10.3	-	230.5
Lutterworth Upper School Endowments	10.5	2.7	-	13.2
Nailstone Primary School Maynards Charity	29.3*	1.3	4.5	26.1
Bradgate Park and Swithland Wood Charity	320.2*	570.2	494.2	396.2
Others	41.5	4.3	2.7	43.1
Total Trust Funds	1,010.6	614.7	539.5	1,085.8

* Not sole trustee. The authority administers the funds and is represented on the board of trustees.

24. Pension Assets and Liabilities

In accordance with Financial Reporting Standard No 17 – Retirement Benefits, the County Council is required to disclose certain information concerning assets, liabilities, income and expenditure related to pension schemes for its employees. The Council participates in two formal schemes, the Local Government Superannuation Scheme, which is administered by the County Council's Pension Fund and the Teacher's Scheme. The Council is not required to record information related to the Teacher's Scheme as the liability for payment of pension's rest ultimately with the Department for Education. In addition the Council has liabilities for discretionary pension payments outside the main schemes.

The Council's assets and liabilities amounted to:

	£000
Share of assets in County Council Fund	511,010
Estimated liabilities in County Council Fund	524,217
Net liabilities in County Council Fund	13,207
Estimated liabilities for discretionary pensions	21,616
Net pension liabilities	34,823

Assets in the County Council Pension Fund are valued at fair value, principally market value for investments, and consist of the following categories, by proportion:

	£000
Equity investments	370,080
Bonds	91,630
Other assets less liabilities	49,300
	511,010

Liabilities are valued on an actuarial basis using the projected unit method, which assesses the future liabilities of the fund discounted to their present value. The valuations are based on a valuation as of 31st March 2001 and updated for the following three years, by Hymans Robertson the independent actuaries to the County Fund. The main assumptions used in the calculations are:

Rate of inflation	2.80%
Rate of increases in salaries	4.30%
Rate of increase in pensions	2.80%
Rate for discounting scheme liabilities	6.40%