



**WARDS AFFECTED:**

ALL WARDS (CORPORATE ISSUE)

**FINANCE, RESOURCES & EQUAL OPPORTUNITIES  
SCRUTINY COMMITTEE  
CABINET  
COUNCIL**

**19<sup>th</sup> SEPTEMBER 2002  
23<sup>rd</sup> SEPTEMBER 2002  
26<sup>th</sup> SEPTEMBER 2002**

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**STATUTORY STATEMENT OF ACCOUNTS 2001/2002**

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**SUPPORTING INFORMATION**

**1. THE 2001/2002 ACCOUNTS**

**1.1 General Points**

1.1.1 The Cabinet, at its meeting on July 29<sup>th</sup>, received a report on the 2001/2002 outturn for the General Fund and Housing Revenue Account. The statutory statement of accounts consolidates these items, and presents them in a somewhat different format. The accounts of the Collection Fund are also shown.

1.1.2 Attached to this paper are the full accounts for 2001/2002

**1.2 Consolidated Balance Sheet**

1.2.1 The consolidated balance sheet shows the net value of the organisation. This includes the following components:

a) Net Fixed Assets

Primarily the land and buildings owned by the Council, including Council Housing. The figure of £1.1 billion derived from a variety of valuations intended to reflect the worth of the assets to the Council - not necessarily the sum for which they could be sold.

b) Deferred Charges

These represent expenditure on items which are not fixed assets, but for which the Council may legally borrow money. Examples are stock issue discounts and deferred premiums on loans repaid early.

c) Long Term Debtors

These are the sums repayable to the Council, in respect of loans made. This figure includes Council mortgages.

d) Current Assets

These include cash and other items which are able to be converted into cash fairly promptly (normally within one year). For example, debtors are generally in respect of services provided, and should be received promptly. Short term investments are made to maximise the interest earned by the Authority on temporary cash balances whilst retaining flexibility to meet day to day spending requirements.

e) Current Liabilities

These items represent sums due by the Council which are normally payable within one year.

f) Long Term Borrowing

The majority of loans taken out by the Council to meet capital spending are repayable over periods in excess of 10 years. It is noted that the Council's borrowing is considerable less than the value of its assets.

g) Fixed Asset Restatement Reserve, and Capital Financing Reserve.

These are technical "reserves" the Council is required to maintain but which cannot be spent. In effect, when added together, they represent the value of council assets which are free of debt, and are similar to the shareholders' funds shown on the balance sheet of a company.

h) Earmarked Reserves

These are reserves held for specific purposes. The most significant are explained in more detail in the report covering the General Fund Revenue Outturn.

i) Balances

These represent reserves held in accordance with statutory definitions, including the General Fund Reserve.

### 1.3 Consolidated Revenue Account

1.3.1 The consolidated revenue accounts brings together all expenditure and income for the year for the General Fund, and the Housing Revenue Account. The Council also operates a number of services as "trading" operations which sell their services internally.

1.3.2 Those items ultimately met from outside the General Fund are cancelled out, so that the "bottom line" figure shows the General Fund net deficit for the year and the balance carried forward. This is also known as the General Fund Reserve.

**2. SUBSEQUENT CHANGES**

2.1 Any changes arising from the Audit of Accounts will be reported back to the Cabinet at the conclusion of the audit.

**3. FINANCIAL IMPLICATIONS**

3.1 The report is exclusively concerned with financial implications.

**4. OTHER IMPLICATIONS**

<b><u>OTHER IMPLICATIONS</u></b>	<b><u>YES/NO</u></b>	<b><u>PARAGRAPH REFERRED</u></b>
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly / people on low income	No	

**5. BACKGROUND PAPERS**

Revenue Outturn reports.

**6. CONSULTATIONS**

All departments are consulted during the Authority's close down period.

**7. AUTHOR**

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