

## NOTES TO THE CORE FINANCIAL STATEMENTS

These represent unapplied capital resources other than those generated internally, such as section 106 sums received.

### 26. CAPITAL CONTRIBUTIONS DEFERRED

	31 March	
	2009 £000	2008 £000
Balance as at 1 April	4,000	3,686
Grants Receivable	457	433
Written off to Service Accounts	(171)	(119)
<b>Balance as at 31 March</b>	<b>4,286</b>	<b>4,000</b>

The balance on this account represents the value of capital grants and contributions that have been applied to finance the acquisition or enhancement of fixed assets. The balance is released to revenue over the life of the asset taking into account depreciation.

### 27. REVALUATION RESERVE

The Revaluation Reserve replaced the Fixed Asset Restatement Account (FARA) on 1 April 2007. The credit balance that existed on the FARA, was transferred on 31 March 2007 to the newly formed Capital Adjustment Account. The Revaluation Reserve therefore started with a zero opening balance on 1 April 2007. The movement on the Reserve during 2008/09 shows revaluation gains that occurred on 1 April 2008, the reserve has to show only the net value of asset revaluations, therefore an entry between this account and the Capital Adjustment Account needs to be made for the difference between depreciation charged on the revalued assets and that charge which would have applied if the revaluation had not taken place. A further entry has been made to reflect the impairment of Fixed Assets due to the fall in market values generally. When the Assets are impaired the first entry is to reduce the element of the Reserve relating to the asset being impaired. Therefore the balance relates entirely to assets whose value at 31 March 2009 is still higher than when the Reserve was created.

The movements on the Revaluation Reserve in this year are shown below:

	31 March	
	2009 £000	2008 £000
Balance as at 1 April	49,742	-
Revaluations during the year (see also note 14)	52,585	53,034
Restatement	(1)	-
Difference between historic cost and current value depreciation on disposals	(286)	(2,623)
Difference between historic cost and current value depreciation	(1,422)	(669)
Revaluation adjustment	657	-
Impairment of Fixed Assets	(97,873)	-
<b>Balance as at 31 March</b>	<b>3,402</b>	<b>49,742</b>

## NOTES TO THE CORE FINANCIAL STATEMENTS

### 28. CAPITAL ADJUSTMENT ACCOUNT

The Capital Financing Account became the Capital Adjustment Account on 31 March 2007. The credit balance on the Fixed Asset Restatement Account (FARA) was transferred here on closure and the account name was amended at that point in time. The Account also contains the amounts that are required by statute to be set aside from capital receipts for the repayment of external loans and the amount of capital expenditure financed from revenue and capital receipts. It also contains the difference between amounts provided for depreciation and that required to be charged to the revenue accounts to repay the principal element of external loans (though the council currently has no loans).

The movements on the Capital Adjustment Account are shown below:

	31 March	
	2009 £000	2008 £000
Balance as at 1 April	631,319	643,144
Minimum Revenue Provision Adjustment:		
Capital Contributions Deferred	171	119
Restatement	(1,927)	(4,853)
Depreciation	(10,912)	(9,825)
Disposal of Fixed Assets	(373)	(6,851)
Revaluation Adjustment	(657)	-
Revenue Expenditure Funded from Capital Under Statute	(1,966)	(1,250)
Capital Financing		
Capital Receipts Applied	2,785	4,064
Revenue Contributions Applied	1,471	2,628
Major Repairs Reserve Applied	4,989	2,968
Difference between historic cost and current value depreciation	1,422	669
Other	771	506
Impairment of Fixed Assets	(31,081)	-
<b>Balance as at 31 March</b>	<b>596,012</b>	<b>631,319</b>

### 29. CAPITAL RECEIPTS RESERVE

	31 March	
	2009 £000	2008 £000
Balance as at 1 April	26,823	26,425
Usable Capital Receipts arising in year	1,009	9,550
Usable Capital Receipts applied in year	(2,785)	(4,064)
Transfer to Pension Deficit Reserve	-	(2,500)
Capital Receipts Pooled	(728)	(2,588)
<b>Balance as at 31 March</b>	<b>24,319</b>	<b>26,823</b>

These are capital receipts that have not yet been used to finance expenditure or repay debt.