

## GROUP ACCOUNTS

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### FOREWORD

Cambridgeshire County Council established a wholly owned housing company in order to derive a financial return, which was incorporated on 17 June 2016. The underlying objective of creating a commercial vehicle of this nature is to provide new revenue sources to support the delivery of front line services to Cambridgeshire residents. From 15 February 2018, the company was renamed 'This Land'. Previously, the company was known as Cambridgeshire Housing & Investment Company but has now rebranded and changed its name at Companies House.

'This Land Group' now comprises a number of subsidiary entities in addition to the parent (the subsidiaries are This Land Development Limited, This Land Investment Limited, This Land Asset Management Limited and This Land Finance Limited). Cambridgeshire County Council is the sole and ultimate owner of all parts of the This Land Group.

In order to provide a full picture of the Council's economic activities and financial position, the accounting statements of the Council and This Land Limited have been consolidated.

The Group Accounts are presented in addition to the Council's 'single entity' financial statements and comprise:

- Group Comprehensive Income and Expenditure Statement
- Group Balance Sheet
- Group Movement in Reserves Statement
- Group Cash Flow Statement

These statements are set out on the following pages, together with accompanying disclosure notes. Disclosure notes have only been included in the group accounts section where they are materially different from those of the Council's single entity accounts.

## GROUP ACCOUNTS

### GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

The purpose of this statement is explained in the Narrative Report of the Council's single entity accounts (page 16).

Gross Expenditure	2016-17 Gross Income	Net Expenditure/ Income (-)		Gross Expenditure	2017-18 Gross Income	Net Expenditure/ Income (-)
£000	£000	£000		£000	£000	£000
113,253	-26,446	86,807	Place and Economy	139,181	-50,826	88,355
693,108	-369,976	323,132	People and Communities	699,159	-430,121	269,038
21,301	-21,027	274	Public Health	27,156	-26,505	651
12,147	-696	11,451	Corporate Services	24,409	-2,846	21,563
8,127	-1,630	6,497	LGSS Managed	5,049	-1,277	3,772
20,475	-12,818	7,656	Commercial & Investments	22,461	-18,092	4,369
25,154	-13,319	11,835	LGSS Operational	22,059	-10,741	11,318
<b>893,565</b>	<b>-445,913</b>	<b>447,652</b>	<b>Cost Of Services</b>	<b>939,474</b>	<b>-540,408</b>	<b>399,066</b>
88,668	-	88,668	Other operating expenditure	73,935	-	73,935
43,121	-6,749	36,372	Financing and investment income/ expenditure	40,898	-3,281	37,617
-	-439,770	-439,770	Taxation and Non-Specific Grant Income	-	-412,349	-412,349
		132,922	<b>Surplus (-) or Deficit on Provision of Services</b>			98,276
		-101,748	Surplus on revaluation of Property, Plant and Equipment			-78,198
		28,819	Impairment and revaluation losses charged to the Revaluation Reserve			27,014
		8,478	Re-measurement of net pension benefit/ liability			-24,378
		-64,451	<b>Other Comprehensive Income and Expenditure</b>			-75,562
		68,471	<b>Total Comprehensive Income (-) and Expenditure</b>			22,714

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### GROUP BALANCE SHEET

The purpose of this statement is explained in the Narrative Report of the Council's single entity accounts (page 17).

31-Mar-17		31-Mar-18
£000		£000
1,779,154	Property, Plant and Equipment	1,792,349
20,705	Heritage Assets	21,214
7,222	Investment Property	9,101
258	Intangible Assets	4,781
400	Long Term Investments	400
71,370	Long Term Debtors	50,296
<b>1,879,108</b>	<b>Long Term Assets</b>	<b>1,878,141</b>
3,531	Assets Held for Sale	9,448
924	Inventories	860
102,910	Short Term Debtors	99,877
27,926	Cash and Cash Equivalents	66,138
<b>135,291</b>	<b>Current Assets</b>	<b>176,323</b>
-95,399	Short Term Borrowing	-148,522
-127,432	Short Term Creditors	-125,075
-4,013	Provisions	-3,715
-6,829	Capital Grants and Contributions Receipts in Advance	-2,928
<b>-233,673</b>	<b>Current Liabilities</b>	<b>-280,240</b>
-5,682	Provisions	-5,824
-345,298	Long Term Borrowing	-351,214
-633,190	Other Long Term Liabilities	-625,731
-23,326	Capital Grants and Contributions Receipts in Advance	-40,936
<b>-1,007,495</b>	<b>Long Term Liabilities</b>	<b>-1,023,705</b>
<b>773,232</b>	<b>Net Assets</b>	<b>750,519</b>
157,778	Usable Reserves	128,703
615,454	Unusable Reserves	621,816
<b>773,232</b>	<b>Total Reserves</b>	<b>750,519</b>

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### GROUP MOVEMENT IN RESERVES STATEMENT

The purpose of this statement is explained in the Narrative Report of the Council's single entity accounts (page 17).

	General Fund £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Usable Reserves Total £000	Unusable Reserves Total £000	Reserves Total £000
<b>Balance at 1-Apr-16</b>	<b>85,597</b>	<b>-</b>	<b>124,769</b>	<b>210,366</b>	<b>631,337</b>	<b>841,703</b>
Movement in 2016-17:						
<b>Total comprehensive income and expenditure</b>	<b>-132,922</b>	<b>-</b>	<b>-</b>	<b>-132,922</b>	<b>64,451</b>	<b>-68,471</b>
Adjustments between accounting and funding basis under regulations	134,030	1,116	-54,812	80,334	-80,334	-
<b>Increase/ decrease (-) in 2016-17</b>	<b>1,108</b>	<b>1,116</b>	<b>-54,812</b>	<b>-52,588</b>	<b>-15,883</b>	<b>-68,471</b>
<b>Balance at 31-Mar-17</b>	<b>86,705</b>	<b>1,116</b>	<b>69,957</b>	<b>157,778</b>	<b>615,454</b>	<b>773,232</b>
Movement in 2017-18:						
<b>Total comprehensive income and expenditure</b>	<b>-96,731</b>	<b>-</b>	<b>-</b>	<b>-96,731</b>	<b>74,017</b>	<b>-22,714</b>
Adjustments between accounting and funding basis under regulations	88,668	-1,116	-19,896	67,656	-67,656	-
<b>Increase/ decrease (-) in 2017-18</b>	<b>-8,063</b>	<b>-1,116</b>	<b>-19,896</b>	<b>-29,075</b>	<b>6,361</b>	<b>-22,714</b>
<b>Balance at 31-Mar-18</b>	<b>78,642</b>	<b>-</b>	<b>50,061</b>	<b>128,703</b>	<b>621,815</b>	<b>750,518</b>

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### GROUP CASH FLOW STATEMENT

The purpose of this statement is explained in the Narrative Report of the Council's single entity accounts (page 17).

2016-17 £000		2017-18 £000
<b>132,922</b>	<b>Net deficit on the provision of services</b>	<b>98,276</b>
-38,350	Depreciation	-37,331
-48,199	Impairment and downward valuations	-12,142
-	Amortisation	-288
-25	Movement in impairment for bad debts	-569
-25,679	Increase (-)/ decrease in creditors	6,408
14,601	Increase/ decrease (-) in debtors	-23,024
-26	Increase/ decrease (-) in inventories	-64
-21,952	Movement in pension liability (difference between employer's contributions paid and IAS19 adjustments)	-21,619
-88,538	Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	-76,635
6,488	Other non-cash items charged to the deficit on the provision of services	4,440
<b>-201,679</b>	<b>Adjustments to the net deficit on the provision of services for non-cash movements:</b>	<b>-160,824</b>
252	Proceeds from the sale of property, plant and equipment	2,893
69,480	Grants for financing capital expenditure	58,380
-	Any other items for which the cash effects are investing or financing activities	56
<b>69,732</b>	<b>Adjustments for items included in the deficit on the provision of services that are investing and financing activities</b>	<b>61,329</b>
<b>974</b>	<b>Net cash flows from Operating Activities</b>	<b>-1,219</b>
112,433	Purchase of property, plant and equipment	96,644
-252	Proceeds from the sale of property, plant and equipment	-3,407
-61,221	Capital Grants Received	-72,089
<b>50,961</b>	<b>Investing Activities</b>	<b>21,148</b>
-173,476	Cash receipts of short and long-term borrowing	-300,000
2,166	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts (Principal)	-303
92,512	Repayments of short and long-term borrowing	242,162
<b>-78,797</b>	<b>Financing Activities</b>	<b>-58,141</b>
<b>-26,862</b>	<b>Net increase (-)/ decrease in cash and cash equivalents</b>	<b>-38,212</b>
1,064	Cash and cash equivalents at the beginning of the reporting year	27,926
<b>27,926</b>	<b>Cash and cash equivalents at the end of the reporting year</b>	<b>66,138</b>

## GROUP ACCOUNTS

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### NOTES TO THE GROUP ACCOUNTS

#### 1. GROUP BOUNDARY

This Land Limited was incorporated on 17 June 2016 (as Cambridgeshire Housing and Investment Company Limited). All the share capital of the company was acquired by Cambridgeshire County Council. Cambridgeshire County Council owns 100% of the share capital of This Land Limited. This Land Ltd is a subsidiary for accounting purposes, and have been consolidated into the Council's group accounts. None of the other Trading Companies in which the Council has an interest are considered material enough to merit consolidation into the Council's Group Accounts. Details of these can be seen within the Related Parties note in the Council's single entity accounts (Note 33).

#### 2. BASIS OF CONSOLIDATION

The financial statements of This Land Limited have been consolidated with those of the Council on a line by line basis; which has eliminated balances, transactions, income and expenses between the Council and the subsidiary. The financial year for This Land Limited ends on 31st December; the following documents have been used in the consolidation for the period 1 April 2017 to 31 March 2018:

- This Land Limited Financial Statements for the period ended 30 June 2017 (apportioned for three months);
- This Land Limited Financial Statements for the period ended 31 December 2017;
- This Land Limited management accounts for the period 1 January 2018 to 31 March 2018.

#### 3. BUSINESS ACTIVITIES OF THE SUBSIDIARIES

This Land Limited (and its subsidiaries) has been established as a housing company that will commercially deliver residential housing on sites currently used for other purposes.

#### 4. ACCOUNTING POLICIES

In preparing the Group Accounts the Council has aligned the accounting policies of the subsidiaries with those of the Council. The accounting policies of This Land Limited are the same as those of Cambridgeshire County Council (refer to Appendix 1), with the following addition for This Land Limited:

- **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or subsequently enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that the Directors consider it is more likely than not that there will be suitable taxable profits which the underlying timing differences can be deducted.

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### 5. LONG TERM DEBTORS

This section gives details of amounts expected to be realised after one year.

31-Mar-17 £000		31-Mar-18 £000
9,572	Bodies external to central government (i.e. all other bodies)	8,707
40,209	Central government bodies	20,000
21,589	Long term finance lease receivable	21,589
<b>71,370</b>	<b>Total</b>	<b>50,296</b>

### 6. FINANCIAL INSTRUMENTS

#### Categories of Financial Instruments

The following categories of financial Instrument are carried on the combined Balance Sheets of the group. The main changes from the single entity accounts relate to the Cash & Cash Equivalents, Borrowings and Loans and Receivables as these transactions have been eliminated as part of the production of the draft accounts

	Long-term		Current	
	31-Mar-17 £000	31-Mar-18 £000	31-Mar-17 £000	31-Mar-18 £000
<b>Investments:</b>				
Available-for-sale financial assets	400	400	-	-
<b>Cash and cash equivalents:</b>				
Cash and cash equivalents	-	-	27,926	66,138
<b>Loans and receivables:</b>				
Loans and receivables (excluding prepayments)	71,370	50,296	82,052	66,525
<b>Borrowings:</b>				
Financial liabilities at amortised cost	-345,298	-351,214	-95,399	-148,522
<b>Other liabilities:</b>				
Other liabilities	-123,323	-118,623	-83,408	-96,179

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### 7. CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature within three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Cash and cash equivalents also include bank overdrafts where these arise as an integral part of the Council's cash management. The cash position is managed to ensure that a broadly neutral position is maintained on a daily basis (i.e. surplus cash balances are temporarily invested until next needed); overdrawn balances represent cash in transit at 31 March. The Council's cash management arrangements do not extend to bank balances held by schools in their own bank accounts.

The following table shows the balance of cash and cash equivalents at 31 March. The balance of Cash and Cash Equivalents is made up of the following elements:

31-Mar-17		31-Mar-18
£000		£000
-	Cash held by the Council	62
35,459	Cash equivalents	66,076
-7,533	Overdraft	-
<b>27,926</b>	<b>Total Cash and Cash Equivalents</b>	<b>66,138</b>