

NORTH WALES FIRE AUTHORITY

STATEMENT OF ACCOUNTS 2005-2006

C O N T E N T S

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EXPLANATORY FOREWORD

1. The Authority's Statement of Accounts is a publication required by law; the prime purpose of which is to give clear information about the financial position and the financial performance of the North Wales Fire Authority for the financial year 2005-2006.

2(a). The statements and their purposes are as follows:-

- (i) **Statement of Accounting Policies**
This sets out the principles and policies upon which the Authority's accounts have been prepared.
- (ii) **Consolidated Revenue Account**
This summarises the expenditure of the Authority and demonstrates how the expenditure has been financed.
- (iii) **Consolidated Balance Sheet**
The Consolidated Balance Sheet describes the financial position of the Authority.
- (iv) **Statement of Total Movements in Reserves**
This statement brings together all of the recognised gains and losses of the Authority and identifies those that have and have not been recognised in the Consolidated Revenue Account.
- (v) **Cashflow Statement**
This consolidated statement summarises the inflows and outflows of cash arising from transactions with third-parties for revenue and capital purposes.
- (vi) **Statement of Responsibilities for the Statement of Accounts**
This sets out the responsibilities of the Treasurer and the Chairman of the Fire Authority as regards the Statement of Accounts.

2(b). The Consolidated Revenue Account, Consolidated Balance Sheet, Statement of Total Movement in Reserves and Cash Flow Statement are supported by notes which provide additional information. The Statement of Accounts meets the requirements of the Code of Practice on Local Authority Accounting in Great Britain (2005) and the Best Value Accounting Code of Practice (2005), published by the Chartered Institute of Public Finance and Accountancy (CIPFA), and the Accounts and Audit (Wales) Regulations 2005.

3. **SUMMARY OF FINANCIAL YEAR 2005-2006**

(i) **Revenue Expenditure 2005-2006**

The budget for the year was approved by Members of the Fire Authority at £27,951,864. The Consolidated Revenue Account shows that the expenditure for the year was contained within this sum. A report to Members in March 2006 estimated that the outturn for 2005-2006 would be an underspend of £320,032. The actual expenditure for 2005-2006 was £27,361,880, an underspend of £589,984. The main areas of underspend are on pay, primarily in relation to retained firefighters and commutation payments. There has also been additional income from investments and training fees.

Recommendations on how the underspend should be utilised are outlined in section 4 below of the Explanatory Forward. These recommendations have been incorporated into the Statement of Accounts as an interim and are subject to Members approval.

(ii) **Capital Expenditure 2005-2006**

During the year the Authority spent £1,149,738 on capital projects as follows:-

	£
Buildings	
Training Facilities Colwyn Bay	22,927
Training House Rhyl	51,783
Training Facilities Benllech	1,734
Headquarters Accommodation	163,079
Training Facilities Pwllheli	9,697
Remodel Llandudno	16,939
Remodel Llanrwst	147,518
Remodel Johnstown	59,699
Remodel Flint	6,377
Remodel Rhyl	4,050
Minor Building Works	44,908
Hydrant Installations	1,562
Vehicles and Equipment	
Water Tenders	52,574
Light Vehicles	132,354
Exhibition Unit	145,713
Other Equipment	288,824
TOTAL CAPITAL EXPENDITURE	1,149,738

Expenditure on the capital programme in 2005-2006 was less than forecasted due to slippage on a number of building projects and delays on the vehicle replacement programme, specifically on water tenders. These schemes, approximate value £1.6m, will be rolled over to 2006-2007.

Under the Prudential Code the Authority can finance the capital programme according to what method of financing is most cost effective. In 2005-2006 the capital programme was financed mainly by loans from the Public Works Loan Board. New loans of £2.364m were raised in the year, whilst £0.964m was repaid. The Authority's borrowing therefore increased by £1.4m during the year, part of this borrowing is forward borrowing to finance the capital programme in 2006-2007.

The remainder of the capital programme was financed by government grant.

(iii) **Balance Sheet 2005-2006**

All buildings, vehicles and equipment that are owned by the Fire Authority are allocated an asset life and are depreciated over that expected life; this is shown in Note 1 to the Consolidated Balance Sheet. The increase in borrowing is dependant upon a number of factors; the amount of capital expenditure to be financed by borrowing and the loan

debt repaid as part of the Minimum Revenue Provision. The Authority's loan debt at 31 March 2006 was £8.513m, an increase of £1.4m over the year.

The value of Stock has increased by £0.064m. In 2004-2005 money was set aside in a Uniform Provision to account for any stock adjustment in 2005-2006 as it was considered that the levels of stock held was artificially high due to the new uniform not yet being issued. However, in 2005-2006 the value of stock actually increased. It is therefore considered prudent to leave the Uniform Provision intact for possible stock adjustments in 2006-2007.

FRS17 was introduced to ensure that financial statements reflect at fair value the assets and liabilities arising from an employer's retirement benefit obligations and any related funding. A full charge is made to the revenue account for the current cost of service and an entry in the Balance Sheet to reflect the Authority's pension liability. The estimated pension liability for the North Wales Fire Authority at 31 March 2006 is £173.142m, an increase of £27.53m. The large increase is due partly to the change in the discount rate used by the Actuary when assessing the value of the pension liability, this is explained further under the Statement of Accounting Policies.

(iv) **Cash Flow**

The Fire Authority is funded from contributions from six Constituent Local Authorities, the contributions are received on a monthly basis and are used to fund expenditure.

(v) **Provisions and Liabilities**

The Authority has a Provision for Pension Liabilities of £1,954,566 to meet liabilities arising from the past service of current employees. The Pension position is monitored regularly and reported to the Authority. However, proposed changes to the funding arrangements for the Firefighters' pension scheme will make it unnecessary for the Authority to hold such a large provision in future years. In light of the proposed changes it was approved by Members at the meeting of the Fire Authority on 19 December 2005 to utilise £162,200 of the Pension Provision to finance the budget for 2006-2007.

Other provisions held by the Authority at 31 March 2006 are the Uniform Provision of £82,490 and the Control Provision of £40,424. Proposals detailed in section 4 below of the Explanatory Forward recommend the setting up of further provisions from the 2005-2006 underspend. Further details of the provisions held are included in pages 16,17,23 and 24.

(vi) **Capital Financing Costs**

The charge made to the service revenue accounts to reflect the cost of fixed assets used in the provision of services was £1,613,304. This is a notional charge as a credit adjustment is made to the Asset Management Revenue Account and the Capital Financing Account so the contributions required to fund the service are not affected. The actual cost to the service for financing capital is £360,693 for loan interest and £369,549 Minimum Revenue Provision (see notes 1 and 5 to the Consolidated Revenue Account).

4. **UNDERSPEND 2005-2006**

The underspend for 2005-2006 is £589,984. At the meeting of the Fire Authority on 19 December 2005, as part of the budget report for 2006-2007, Members approved the utilisation of £250,000 of the projected underspend for 2005-2006 to finance budget increases for 2006-2007.

Members at the meeting of the Fire Authority on 27 March 2006 approved an additional £70,000 of the underspend for 2005-2006 be utilised to cover the cost of redundancies in 2006-2007.

At the meeting of the Executive Panel on 13 March 2006 Members approved a merger of the NWFRS Estates Department and the North Wales Police Facilities Management Department. The report outlined the potential savings that could be made and the benefits to the Fire Service in having access to a wider range of property professionals to manage the estates portfolio. To ensure a smooth transition it is considered prudent that £35,000 of the underspend from 2005-2006 be set aside in to an Estates Provision to cover the set up costs of the department. The costs to be met from the provision will be redundancy payments and some new office equipment.

No provision was made in the 2006-2007 budget to cover the back pay of the rank to role costs due to funding constraints. It is therefore considered prudent to set up a provision of £100,000 to cover the costs that may be incurred in 2006-2007 relating to back pay.

Members were made aware at the meeting of the Fire Authority on 27 March 2006 that the Law Lords had ruled in favour of retained firefighters being entitled to the same conditions of service as whole-time firefighters. The financial consequences of the decision are still unknown but it is anticipated that there will be some costs to the service. It is therefore considered prudent to set up a provision of £90,000 in anticipation of these costs.

The Internal Audit function for the North Wales Fire and Rescue Service is provided by Conwy County Borough Council as part of a service level agreement. The number of audit days provided in 2005-2006 has proved insufficient to cover all work required in particular the assurances required for the Statement of Internal Control, a new requirement for the 2005-2006 Statement of Accounts. To ensure appropriate audit coverage a provision of £44,984 has been set up to fund additional audit work.

5. **ADDITIONAL INFORMATION**

Additional information about these accounts is available from the Treasurer to the Fire Authority at Bodlondeb, Conwy. Interested members of the public also have a statutory right to inspect the accounts before the audit is completed. Availability of the accounts for inspection is advertised in the local press and on both the websites for North Wales Fire Authority (www.nwales-fireservice.org.uk) and Conwy County Borough Council (www.conwy.gov.uk).

The 2005-2006 accounts have not yet been audited and the current statement is in draft format.

K W FINCH CPFA IRRV
Treasurer to the Fire Authority

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE AUTHORITY'S RESPONSIBILITIES

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Treasurer;
- to manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets.

CHAIRMAN'S CERTIFICATE **STATEMENT OF ACCOUNTS 2005/2006**

Approved at the meeting of the North Wales Fire Authority on 19 June 2006 presided over by the Chairman of the Fire Authority.

SIGNED: _____ DATED: _____

Chairman, North Wales Fire Authority

THE TREASURER'S RESPONSIBILITIES

The Treasurer is responsible for the preparation of the Authority's Statement of Accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ("the Code"), is required to present fairly the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March 2006.

In preparing the Statement of Accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code.

The Treasurer has also:

- kept proper accounting records which were up-to-date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

TREASURER'S CERTIFICATE **STATEMENT OF ACCOUNTS 2005/2006**

A Statement of Accounts has been prepared in accordance with the Accounts and Audit Regulations (Wales) 2005.

SIGNED: _____ DATED: _____

K W FINCH CPFA IRRV

Treasurer to the Fire Authority

STATEMENT ON INTERNAL CONTROL 2005/06

1. SCOPE OF RESPONSIBILITY

North Wales Fire Authority ("the Authority") is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Wales Programme for Improvement (WPI) circular 18/2002, was introduced in Wales in April 2002. It required all Local Authorities to modernise their services, to fulfill the duties placed on them under the Local Government Act 1999, and to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

2. THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

This Statement reflects the position for the Authority for the year ended 31st March 2006.

3. THE INTERNAL CONTROL ENVIRONMENT

The Authority's Internal Control Environment comprises the many systems, policies, procedures and operations established in order to:

- Establish and monitor the achievement of the Authority's objectives
- Facilitate Policy and Decision making
- Ensure compliance with the Regulatory Framework, including Financial Regulations and Contract Standing Orders, within which the service operates
- Identify, assess and mitigate the risks facing the Authority in the achievement of its objectives
- Ensure the efficient, economic and effective use of resources, and continuously to seek improvement in the way the service discharges its functions
- Exercise appropriate financial management and reporting of the Authority
- Ensure that adequate and appropriate Performance Management recording and reporting systems are in place.

4. REVIEW OF EFFECTIVENESS

The Authority has a responsibility to conduct, at least annually, a review of the effectiveness of its system of Internal Control. The review of effectiveness is informed by the work of both Internal and External Auditors, and managers within the service who have responsibility for the development and maintenance of the Internal Control Environment.

During 2005/06, the Authority has developed and maintained its system of Internal Control in the following ways:

- The Authority has responsibility for Strategic Direction and Policy. The on-going work in the development and maintenance of Integrated Risk Management Planning is being used to identify improvements in service delivery
- External Audit (WAO) have reviewed arrangements NWFA have in place for
 - Human Resources
 - Asset Management
 - Partnership Working
- These reviews have confirmed that Officers are aware of the importance of developing strategy documents linking these activities to organisational objectives.
- The review of effectiveness of the system of Internal Control is also informed by the work of the External Auditor (WAO) , reported in the Annual Audit Letter. The latest letter, issued in December 2005 identified as follows:
 - Adequate arrangements are in place for the financial aspects of Corporate Governance
 - The Authority has prepared a Best Value Performance Plan in accordance with Wales Assembly guidance
 - The Authority has reviewed its policy development structure resulting in the creation of four interlinking policy fora: Corporate Communications, People Development, Risk Reduction, Impact Assessment
 - A Corporate Risk Management Policy was established in September 2005, identifying the Risk Reduction forum as a key element in an effective risk management regime. That forum is charged with:
 - Risk Identification
 - Conducting Risk Surveys
 - Development of an annual Risk Reduction programme
 - Provision of Risk Management advice and training
 - Internal Audit is a fundamental part of the Authority's governance arrangements; the assessment indicates compliance with CIPFA's Code of Practice for Internal Audit and that adequate and effective Internal Audit arrangements were in place
- The 2005/06 Annual Report of Internal Audit concludes that the level of financial control and arrangements for its monitoring are very good
- The Authority has responded to WAO comments regarding Asset Management by entering into a facilities management arrangement with the North Wales Police Authority who will manage the Fire Authority's portfolio of land and buildings on its behalf.
- Performance Management arrangements, necessary to assist the service to meet its objectives in serving the Community and to identify opportunities to improve are being introduced across the organisation.

5. SIGNIFICANT INTERNAL CONTROL ISSUES

The review of effectiveness set out in section 4 above demonstrates that the control environment systems in place are operating effectively with no significant weaknesses having been identified in this review or by the Authority's Auditors.

However, in accordance with the requirement to undertaken an annual review of the Internal Control systems in place in order to ensure that it continues to meet the needs of the service, we will be seeking improvements by:

- Developing a more inclusive and enabling process to ensure the SIC fits in to every day governance related issues.
- Increasing the extent of Internal Audit coverage of non-financial management systems in order to improve the level of assurance to be gained from that source.

Signed:

Chief Fire Officer

Date

Chairman North Wales Fire Authority

Date

STATEMENT OF ACCOUNTING POLICIES

1. **GENERAL**

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in Great Britain 2005 (SORP), issued in May 2006 by CIPFA and also with guidance notes issued by CIPFA on the application of Accounting Standards (SSAPs) and Financial Reporting Standards (FRS).

2. **FIXED ASSETS**

The latest valuation of fixed assets was carried out by Gwynedd Council in 2004-2005. Office accommodation has been valued at open market value and fire stations at depreciated replacement cost. To comply with FRS 15 the valuer estimated residual lives for all the Fire Authority's buildings so that a charge for depreciation could be calculated. Other assets are recognised at historic cost and depreciated over their useful lives.

In accordance with the requirements of FRS 11, the Authority reviews the value at which each category of asset is included in the balance sheet at the end of each reporting period. Where there is reason to believe that the value has changed materially in the period, the valuation is adjusted accordingly. Impairment is charged to the Service Revenue Account where it arises from the consumption of economic benefits and to the Fixed Asset Restatement Account in other instances.

3. **INTANGIBLE ASSETS**

The Authority has assets that under UK Generally Accepted Accounting Practice (GAAP) can be recognised as intangible assets (e.g. software licences).

Intangible assets are amortised on a systematic basis over their economic life. The useful economic lives of the Authority's intangible assets are reviewed at the end of each reporting period and revised if necessary.

4. **CHARGES TO REVENUE FOR FIXED ASSETS**

The revenue account is charged with a capital charge for all fixed assets used in service provision. The total charge covers the annual provision for depreciation, plus a specified notional rate of interest of 3.5% of net asset values.

The aggregate charge is determined on the basis of the capital employed. Depreciation is provided for on all assets with a finite useful life and is calculated on a straight-line basis.

External interest payable and the provision for depreciation are charged to the Asset Management Revenue Account, which is credited with the capital charges made.

5. **DEPRECIATION**

Assets, other than land and non-operational assets, are being depreciated over their useful lives. Under FRS 15 a provision for depreciation must be made on all the Fire Authority's buildings.

Where depreciation is provided for, assets are being depreciated using the straight-line method over the following periods:-

Buildings	15 -80 years
Infrastructure	5-10 years
Vehicles, Plant and Equipment	4-15 years
Intangible Assets	5-15 years

6. **BASIS FOR PROVISION FOR REDEMPTION OF DEBT**

The Authority has taken out long-term loans of variable duration to finance the purchase of fixed assets. Provision for redemption of debt is a calculation based on the opening adjusted capital financing requirement. The capital financing requirement is generally being charged to the revenue account as an amount equivalent to 4% of its value. However, additional (voluntary) provision has been made for the redemption of debt to reflect the increase in short life assets that are now being financed through borrowing, instead of operational leases. The additional provision is based on the economic life of the asset and the charge to the revenue account is calculated on that basis.

7. **RESERVES & PROVISIONS**

The financial regime under which the Authority operates does not permit it to hold Reserves. The Authority is however permitted to hold Provisions. Provisions relate to liabilities which have been incurred, but the amount or timing of the payment cannot be accurately determined. Expenditure is charged to the service revenue account in the year the provision is created; expenditure to discharge the liability is charged directly to the provision. Details of Provisions held by the Authority at 31 March 2006 are provided in Note 9 to the Consolidated Balance Sheet.

8. **STOCKS AND STORES**

The Authority takes account of stocks of uniforms, vehicle parts, fuel and other minor operational items. In accordance with the Code of Practice and SSAP 9, stocks are valued at the lower of actual cost or net realisable value.

9. **PENSION COSTS**

The Authority participates in two different pension schemes which meet the needs of different groups of employee. Both schemes provide members with defined benefits relating to pay and service. The schemes are as follows:-

(i) **Uniformed Fire-fighters**

This scheme is unfunded with the charge to the revenue account representing the net cost of pensions and other benefits after allowing for contributions made by employees for the year.

(ii) **Local Government Services & Control Staff**

These employees are eligible to join the Local Government Superannuation Scheme. The pension costs that are charged to the Authority's account in respect of its employees are equal to the contributions paid to the funded pension scheme for these employees. Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis.

These pension costs have been determined on the basis of stepped contribution rates that are set to meet 100% of the liabilities of the Fund in accordance with relevant Government regulations.

(iii) **FRS 17**

FRS 17 prescribes the disclosure of the long-term commitments entered into relating to pension costs. The accounts of the Fire Authority have been adjusted in line with the SORP and that provides that the adjustments made to implement FRS 17 do not have any effect on the Contributions made by the Local Authorities.

In assessing liabilities for retirement benefits at 31 March 2005 for the 2004-2005 Statement of Accounts the actuary was required by the SORP to use a discount rate of 2.9% real (5.4% actual), a rate based on the current rate of return on a high-quality corporate bond of equivalent currency and term to scheme liabilities was used. For the 2005-2006 Statement of Accounts the actuary has advised that a rate of 2.9% real (4.9% actual) is appropriate.

10. **ALLOCATION OF CENTRAL ADMINISTRATIVE CHARGES**

The major central administrative services such as Finance, Legal and Administrative Support are bought in from other Local Authorities. These costs and the costs of central administration at the Fire Authority have been allocated to front line services in line with CIPFA's Statement on Accounting for Overheads and the Best Value Accounting Code of Practice.

11. **DEBTORS AND CREDITORS**

The Authority's accounts are presented on an accruals basis in accordance with the SORP and SSAP 2; that is to say that sums due to or from the Authority during the year are included in the revenue account whether or not the cash has actually been received or paid in the year. Any material capital expenditure accruals have been made at the year end and all capital expenditure, including accruals, have been financed.

12. **INVESTMENTS**

Conwy County Borough Council manages surplus funds on behalf of the Authority. Investments are made directly for the Authority, specifically in a high interest call account, and other surplus funds are invested on the money market as part of Conwy's treasury management activity. Interest transactions are shown separately within the Summary Revenue Account. Investments are shown in the Consolidated Balance Sheet at cost. Further details are given in Note 11 to the Balance Sheet.

13. **LEASES**

The Authority holds various capital assets, principally vehicles and some items of equipment, under operating leases. The capital accounting regulations require assets subject to operating leases to be held off-balance sheet as the ownership is not vested in the Authority.

Assets obtained by way of finance lease are shown within the balance sheet as Fixed Assets.

Annual lease payments are charged to the service revenue accounts. Details of leases are outlined in Note 2 to the Consolidated Revenue Account.

14. **CAPITAL RECEIPTS**

The proceeds from disposed of assets are held as Usable Capital Receipts in the Capital Receipts Unapplied Account until used to finance capital expenditure.

15. **VALUE ADDED TAX**

VAT is included in income and expenditure accounts, whether of a capital or revenue nature, only to the extent that it is irrecoverable.

16. **GRANTS**

Revenue grants, and the expenditure funded by grant, are included as income and expenditure in the Revenue Account. Capital grants are credited to the Grants and Contributions Deferred Account and amortised over the life of the associated Fixed Assets.

THE CONSOLIDATED REVENUE ACCOUNT

OBJECTIVE ANALYSIS	NOTES	2005/06 £'000	2004/05 £'000
Community Fire Safety - Inspection & Certification		1,229	1,118
Community Fire Safety - Prevention & Education		2,344	2,147
Fire Fighting - Operational Responses		22,923	20,547
Fire Fighting - Communications & Mobilising		2,465	2,151
Fire Fighting - Securing Water Supplies		1,031	924
Corporate & Democratic Core Costs		161	198
Non Distributed Cost		12	5
GROSS EXPENDITURE		30,165	27,090
Income – Community Fire Safety		-32	-71
Income - Fire Fighting		-230	-507
TOTAL INCOME		-262	-578
Transfer to/(from) Provision for Pay Award	Note 8	0	-954
Transfer to Various Provisions from 2005-2006 Underspend	Note 8	590	0
Transfer to/(from) the Budget Provision for 2005-2006	Note 8	-781	500
Transfer to/(from) Computer Provision	Note 8	-35	-65
Transfer to/(from) the Uniform Provision	Note 8	-108	190
Transfer to/(from) the Control Project Provision	Note 8	-60	100
Increase/(Decrease) in Bad Debt Provision	Note 8	0	-5
NET COST OF SERVICE		29,509	26,278
Interest Received		-223	-153
Asset Management Revenue Account	Note 1	-493	-612
Pension Interest Cost	Note 4	8,161	7,153
Expected Return on Pension Assets	Note 4	-351	-316
NET OPERATING EXPENDITURE		36,603	32,350
Appropriations to/(from) Capital Financing Account –			
Deferred Charges		-283	0
Government Grants Deferred		11	0
Capital Expenditure charged to the Revenue Account	Note 8	0	476
Appropriation from Capital Financing Account	Note 5	-401	-311
Appropriation from Pensions Reserve	Note 4	-7,978	-5,663
AMOUNT TO BE MET FROM CONTRIBUTIONS		27,952	26,852
INCOME FROM CONTRIBUTIONS	Note 6	-27,952	-26,852
SURPLUS FOR YEAR		0	0

NOTES TO THE CONSOLIDATED REVENUE ACCOUNT

1. **ASSET MANAGEMENT REVENUE ACCOUNT**

The Asset Management Revenue Account records the charges made for the use of assets and the actual costs to the Authority of external interest. The resulting surplus is shown in the Consolidated Revenue Account.

	2005/06 £'000	2004/05 £'000
<u>INCOME</u>		
Capital Charges to Revenue Account	-1,613	-1,544
Government Grants Deferred	-11	0
<u>EXPENDITURE</u>		
Provision for Depreciation	770	711
External Interest Charges	361	221
SURPLUS TO CONSOLIDATED REVENUE ACCOUNT	-493	-612

2. **LEASE RENTALS**

The operating lease payments outstanding as at 31 March 2006 are £2,456,757 (31 March 2005, £2,859,422), with payment of operating leasing charges during the year of £932,792 (2004/05, £1,123,252). Finance lease payments during the year amounted to £3,746; the original purchase price of the vehicles was £359,048. The finance lease is in the secondary rental period, which lasts for the useful life of the vehicles.

LEASING OBLIGATIONS	£'000
2006/2007	734
2007/2008	497
2008/2009	377
2009/2010	246
2010/2011	214
2011/2012	214
2012/2013	85
2013/2014	76
2014/2015	13
2015/2016	1
TOTAL	2,457

3. **PUBLICITY EXPENDITURE**

Under Section 5 of the Local Government Act 1986, the Authority is required to disclose the expenditure on publicity and advertising directed at the public at large or particular sections of the public. In 2005-2006 this expenditure amounted to £93,796.

PUBLICITY EXPENDITURE	2005/06 £'000	2004/05 £'000
Recruitment	57	5
Fire Safety Advertising	37	20
TOTAL	94	25

4. **PENSIONS**

(i) **Local Government Services & Control Staff**

In 2005-2006 the Authority paid an employer's Superannuation contribution of £524,819 (2004-2005, £500,790) representing 21.3% (2004-2005, 21.3%) of employees' pensionable pay into the Clwyd Pension Fund, which provides members with defined benefits related to pay and service. The contribution rate is determined by the Fund's Actuary based on triennial actuarial valuations, the last review being at 31 March 2004. Under current Pensions Regulations contribution rates are set to meet 100% of the overall liabilities of the Fund. During 2005-2006 added years benefits of £8,624 (2004-2005, £8,167) were paid to employees which represents 0.35%(2004-2005, 0.28%) of employees' pensionable pay.

Further information on the Clwyd Pension Fund can be found in the Pension Funds Annual Report and Accounts which is available on request from the County Treasurer at Flintshire County Council, County Hall, Mold, CH7 6NA or on the website www.flintshire.gov.uk.

(ii) **Firefighters**

The firefighters pension scheme is an unfunded scheme with defined benefits. In 2005-2006 the net cost of pensions and other benefits amounted to £3.5m (2004-2005, £3.5m).

(iii) **Movements on the Pension Fund**

In accordance with FRS17 the current cost of pensionable service is allocated to gross expenditure in the Consolidated Revenue Account (CRA). Actual superannuation payments on behalf of employees in current service are removed from the CRA, an adjustment is then applied below the line so there is no effect on the overall expenditure of the Authority. Actuarial valuations have been carried out on the Firefighters scheme by the Government Actuary's Department, and the Local Government Pension scheme by Mercers. The table below analyses the appropriation from the Pension reserve to the CRA for 2005-2006 for both schemes.

MOVEMENTS	2005/06 £'000	2004/05 £'000
Employers contributions		
– Local Government Pension Scheme	539	509
– Pensions Paid Firefighters	4,455	4,444
– Less Contributions Firefighters	-979	-960
Current Service Cost		
– Firefighters	-3,650	-2,340
– Local Government Pension Scheme	-408	-339
Past Service Cost		
– Firefighters	-350	-140
– Local Government Pension Scheme	225	0
Interest Cost		
– Firefighters	-7,600	-6,690
– Local Government Pension Scheme	-561	-463
Expected Return on Pension Assets		
– Local Government Pension Scheme	351	316
APPROPRIATION FROM PENSION RESERVE TO CRA	7,978	5,663

Further information on pensions is contained in Note 10 to the Consolidated Balance Sheet and Note 3 to the Statement of Total Movement in Reserves.

5. **MINIMUM REVENUE PROVISION (MRP) AND DEFERRED CHARGES**

The Authority is required by statute to set aside a MRP for the redemption of debt. For 2005-2006, the amount is £369,548. The entries forming the calculation of the transfer from the Capital Financing Account are shown below:-

	2005/06 £'000	2004/05 £'000
Amount Charged as Depreciation	771	711
Transfer from Capital Financing Account to Revenue	-401	-311
MINIMUM REVENUE PROVISION	370	400

6. **CONTRIBUTIONS**

In 2005-2006 contributions totalling £27,951,864 were applied to fund revenue expenditure from the following Local Authorities:-

AUTHORITY	2005/06 £'000	2004/05 £'000
Anglesey County Council	2,850	2,720
Gwynedd Council	4,896	4,709
Conwy County Borough Council	4,621	4,440
Denbighshire County Council	3,955	3,789
Flintshire County Council	6,225	5,999
Wrexham County Borough Council	5,405	5,195
TOTAL LEVIES	27,952	26,852

7. **OFFICERS' EMOLUMENTS**

The number of employees whose remuneration, excluding pension contributions, was £40,000 or more in bands of £10,000 was:-

REMUNERATION BAND	2005/06 NUMBER OF EMPLOYEES	2004/05 NUMBER OF EMPLOYEES
£80,000 - £89,999	1	1
£70,000 - £79,999	0	0
£60,000 - £69,999	4	3
£50,000 - £59,999	3	1
£40,000 - £49,999	22	17

8. **CONTRIBUTION TO AND FROM EARMARKED RESERVES & BALANCES**

Budget 2005-2006 Provision

A sum of £500,000 was set aside from the 2004-2005 underspend to fund budget increases for 2005-2006 it was also agreed to use the Transitional Funding provision of £281,202. These provisions have now been utilised.

Computer Provision

In 2003-2004 a Provision was set up to finance the new Human Resources (HR) System from the revenue underspend. The balance on the provision, £34,986, has been utilised in 2005-2006.

Uniform Provision

In order to manage the new uniform issue and formulate the correct accounting entries without it having an effect on the budget for 2005-2006 it was necessary to create a Provision for Uniforms of £190,000 from the 2004-2005 underspend. In 2005-2006 £107,510 of the provision was used to purchase uniforms. Current stock levels remain artificially high it is therefore considered prudent to leave the balance on the Uniform Provision, £82,490, intact for possible stock adjustments in 2006-2007.

Control Provision

To cover the costs of the project to co-locate the three emergency services controls and assist with the re-location costs a sum of £100,000 was set aside from the 2004-2005 underspend. In 2005-2006 £59,576 of the provision was utilised. The control project is still ongoing and it is envisaged that there will be further expenditure in 2006-2007.

Bad Debt Provision

The Authority maintains a Bad Debt Provision which adequately covers debts which may be required to be written off. An analysis of the year end debtors has resulted in the provision remaining at the same level.

Underspend 2005-2006

The underspend for 2005-2006 is £589,984. The Explanatory Forward details the proposals for the underspend which are as follows:-

- £250,000 – Provision for Budget Increases 2005-2006
- £70,000 – Redundancy Provision
- £35,000 – Estates Provision
- £100,000 – Rank to Roll Provision
- £90,000 – Equal Pay Provision
- £44,984 – Audit Provision

9. **TRANSACTIONS WITH RELATED PARTIES**

The North Wales Fire Authority has a number of links with the constituent authorities:

- Each member of the Fire Authority is also a member of one of the constituent authorities
- The Treasurer to the Fire Authority is the Corporate Director of Finance and Resources of Conwy County Borough Council
- The Monitoring Officer is the Chief Executive of Denbighshire County Council

During the year transactions with related parties arose as shown below.

	£'000
Conwy CBC – Financial Services	68
Denbighshire CC – Monitoring Officer and Legal Services	43
Flintshire CC – Superannuation Service	9
Welsh Local Government Association	21
Other Fire Authorities	24

Members and senior officers of the Fire Authority were asked to declare any third party transactions during the year. Apart from member's allowances and expenses no other transactions were identified.

10. **AUDIT FEES 2005/06**

The fee paid to the Wales Audit Office for external audit services provided under section 5 of the Audit Commission Act 1998 was £47,153 (2004/05, £46,149).

11. **MEMBERS ALLOWANCES**

The Authority implemented a Members Allowance Scheme during 2004-2005 in line with National Assembly for Wales Guidance for Members Allowances. During 2005-2006 the sum of £55,546 (£26,174 in 2004-2005) was paid to Members in the form of Members Allowances.

CONSOLIDATED BALANCE SHEET

	NOTES	31 March 2006		31 March
		£'000	£'000	2005 £'000
FIXED ASSETS	Note 1			
Intangible Fixed Assets			56	65
Tangible Fixed Assets	Note 3			
Operational Assets:				
Land and Buildings		19,765		19,746
Vehicles, Plant and Equipment		4,046		3,410
Infrastructure		48	23,859	53
Non-Operational Assets Assets under Construction			35	923
Investments			3	3
TOTAL LONG TERM ASSETS			23,953	24,200
CURRENT ASSETS				
Stock	Note 6	362		298
Debtors	Note 7	493		556
Investments	Note 11	4,690		4,770
Payments in Advance		149		107
Cash in Hand		0	5,694	0
LESS CURRENT LIABILITIES				
Creditors	Note 8	1,180		1,031
Borrowing Repaid within one year	Note 4	500		964
Cash Overdrawn	Note 5	26		896
Receipts in Advance		528	2,234	280
NET CURRENT ASSETS			3,460	2,560
TOTAL ASSETS LESS CURRENT LIABILITIES			27,413	26,760
Pension Liability	Note 10		173,142	145,612
Provision for Pension Liabilities	Note 9		1,955	1,955
Provisions - Underspend 2005-06	Note 9		590	0
Transitional Funding Provision	Note 9		0	281
Computer Provision	Note 9		0	35
Budget 2005-06 Provision	Note 9		0	500
Uniform Provision	Note 9		83	190
Control Provision	Note 9		40	100
Long Term Borrowing	Note 4		8,013	6,149
TOTAL ASSETS LESS LIABILITIES			(156,410)	(128,062)
EQUITY				
Government Grants Deferred	Note 12		132	108
Capital Financing Account			1,150	1,824
Fixed Asset Restatement Account			14,971	15,314
Usable Capital Receipts			479	304
Pension Reserve			(173,142)	(145,612)
TOTAL EQUITY			(156,410)	(128,062)

NOTES TO THE CONSOLIDATED BALANCE SHEET

1. **FIXED ASSETS**

Assets are valued as outlined in Note 2 and Note 3 of Accounting Policies. Details of the value of assets held at 31 March 2006 are shown below, together with details of movement in the year:-

	<i>Land and Buildings</i> £'000	<i>Vehicles and Equipment</i> £'000	<i>Infra - structure</i> £'000	<i>Non- Operational Assets</i> £'000	<i>In- Tangible Assets</i> £'000	<i>Total</i> £'000
Gross Book Value at 1 April 2005	20,964	6,769	252	923	65	28,973
Revaluations and Restatements	0	0	0	0	0	0
VALUE AT 1 APRIL 2005	20,964	6,769	252	923	65	28,973
Additions	494	619	2	35	0	1,150
Commissioned	459	464	0	-923	0	0
Expenditure						
Disposals	-205	0	0	0	0	-205
Written-Off to Fixed Asset Restatement Account	-422	0	0	0	0	-422
GROSS BOOK VALUE AT 31 MARCH 2006	21,290	7,852	254	35	65	29,496
Accumulated Depreciation at 1 April 2005	-1,219	-3,358	-199	0	0	-4,776
Depreciation for Year	-306	-448	-7	0	-9	-770
Disposals	0	0	0	0	0	0
Accumulated Depreciation at 31 March 2006	-1,525	-3,806	-206	0	0	-5,546
NET BOOK VALUE AT 31 MARCH 2006	19,765	4,046	48	35	56	23,950

Capital Commitments 2006-2007 Onwards

Major capital commitments entered into at 31 March 2006 were £1,349,000 and are detailed in the table below.

Scheme	Contracted Future Cost £'000
Remodel Llandudno	271
Water Tenders	1,030
Operational Equipment	48
TOTAL	1,349

2. **CAPITAL EXPENDITURE AND FINANCING**

The capital expenditure incurred during the year and its impact upon the Capital financing Requirement are detailed below:-

	2005/2006 £'000	2004/2005 £'000
Opening Capital Financing Requirement	6,948	3,995
Capital Investment in Year		
• Intangible Assets	0	65
• Fixed Assets	1,150	3,876
Sources of Finance		
• Grants & Contributions	34	111
• Revenue and Other Provisions	370	877
Closing Capital Financing Requirement	7,694	6,948
Change in Capital Financing Requirement	746	2,953
Explanation of change:		
Increase in underlying need to borrow (supported)	746	847
Increase in underlying need to borrow (unsupported)	0	2,106

3. **INFORMATION ON ASSETS HELD**

Fixed assets owned by the Authority include the following:-

	Number at 31 March 2006	Number at 31 March 2005
<u>LAND AND BUILDINGS</u>		
Fire Stations	44	44
Brigade Headquarters	0	1
Divisional Headquarters	1	2
Control Rooms	1	1
Training Establishments	4	4
Vehicle Workshops	1	1
Stores	1	1
<u>VEHICLES AND EQUIPMENT</u>		
Operational Vehicles	60	57
Ancillary Vehicles	46	28

4. **EXTERNAL BORROWING**

The loans outstanding have been raised through the Public Works Loan Board (PWLB). The following table gives an analysis of the loans by maturity.

Source of Loan	Interest Rate Payable 2005/06 %	Total Outstanding at 31 March 2006		Total Outstanding at 31 March 2005	
		£'000		£'000	
Public Works Loans Board	3.85 – 5.0		8,513		7,113
<u>ANALYSIS OF LOANS BY MATURITY</u>					
Within 1 Year			500		964
Between 1 and 2 years		1,000		500	
Between 2 and 5 years		1,579		1,615	
Between 5 and 10 years		1,012		1,012	
Over 10 years		4,422		3,022	
			8,013		6,149
TOTAL			8,513		7,113

5. **CASH OVERDRAWN**

The actual cash in hand represented the cash shown in the Balance Sheet, together with transactions not effected within the cleared bank balance at 31 March 2006. The following table summarises the position:-

	31 March 2006 £'000	31 March 2005 £'000
Cash Per Balance Sheet	-26	-896
Uncleared Bank Transactions	70	1,176
Cash in Transit	-2	-207
TOTAL	42	73

N.B. The "Cash per Balance Sheet" figures in the above table exclude imprest accounts of £4,150.

6. **STOCKS**

An analysis of the stocks held at 31 March 2005 and 31 March 2006 is shown below:-

STOCKS	31 March 2006 £'000	31 March 2005 £'000
Main Stores (HQ)	350	286
Transport Stock	12	12
TOTAL	362	298

7. **DEBTORS**

	31 March 2006 £'000	31 March 2005 £'000
Government Departments and Other Agencies	342	464
Other Local Authorities	67	29
Sundry Debtors	90	69
GROSS DEBTORS	499	562
Bad Debt Provision	-6	-6
NET DEBTORS	493	556

8. **CREDITORS**

	31 March 2006 £'000	31 March 2005 £'000
Government Departments and Agencies	106	72
Other Local Authorities	112	60
Sundry Creditors	962	899
TOTAL	1,180	1,031

9. **PROVISIONS**

At 31 March 2006 the Authority held a number of provisions. The provisions held and the movement on the provisions is as follows.

A Computer Provision of £100,000 was established to fund the purchase of a Human Resources system as agreed by the Fire Authority on 15 March 2004, £65,013 was utilised in 2004-2005 and the remaining balance was used in 2005-2006.

The Provision for Pension Liabilities was established to smooth the impact of the liabilities, arising from past service, to make future pension payments. Proposed changes to the funding arrangements for the Firefighters' pension scheme will make it unnecessary for the Authority to hold such a large provision in future years. In light of the proposed changes it was approved by Members at the meeting of the Fire Authority on 19 December 2005 to utilise £162,200 of the Pension Provision to finance the budget for 2006-2007.

A new provision of £500,000 was established in 2004-2005 to fund the budget increases for 2005-2006. This provision has been utilised along with the Transitional Funding Provision to finance the budget increases for 2005-2006.

A Provision for Uniforms of £190,000 was established in 2004-2005 to manage the new uniform issue and formulate the correct accounting entries without it having an effect on the budget for 2005-2006. In 2005-2006 £107,510 of the provision was used to purchase uniforms. Current stock levels remain artificially high it is therefore considered prudent to leave the balance on the Uniform Provision, £82,490, intact for possible stock adjustments in 2006-2007.

To cover the costs of the project to co-locate the three emergency services controls and assist with the re-location costs a Control Provision of £100,000 was established in 2004-2005. In 2005-2006 £59,576 of the provision was utilised. The control project is still ongoing and it is envisaged that there will be further expenditure in 2006-2007.

The underspend for 2005-2006 is £589,984. The Explanatory Forward details the proposals for the underspend which are as follows:-

- £250,000 – Provision for Budget Increases 2005-2006
- £70,000 – Redundancy Provision
- £35,000 – Estates Provision
- £100,000 – Rank to Roll Provision
- £90,000 – Equal Pay Provision
- £44,984 – Audit Provision

10. **ASSESSMENT OF PENSION LIABILITIES FOR FRS17 DISCLOSURES**

In accordance with the requirements of Financial Reporting Standard No 17 - Retirement Benefits (FRS 17) the Fire Authority has to disclose certain information concerning assets, liabilities, income and expenditure related to pension schemes for its employees. As explained in Note 4 to the Consolidated Revenue Account the Authority participates in two schemes, the Firefighters Pension Scheme for full time firefighters which is unfunded, and the Local Government Pension Scheme for other employees which is administered by Flintshire County Council. In addition, the Authority has made arrangements for the payment of added years to certain retired employees outside the provisions of the schemes.

The Authority's assets and liabilities as at 31 March 2006 and 31 March 2005 were as follows:

	31 March	
	2006 £'000	2005 £'000
Estimated liabilities in the Firefighters Pension Scheme	167,820	140,546
Share of liabilities in County Council Fund	12,300	10,227
Total liabilities	180,120	150,773
Share of assets in County Council Fund	6,978	5,161
Net Pensions Deficit	173,142	145,612

Liabilities have been valued on an actuarial basis using the projected unit method which assesses the future liabilities of the fund discounted to their present value. The Firefighters Scheme has been valued by the Government Actuary's Department and the County Council Fund liabilities have been valued by Mercer, an independent firm of actuaries. The main assumptions used in the calculations are:

	FireFighters Scheme		County Fund	
	2006 %	2005 %	2006 %	2005 %
Rate of Inflation	3.2	2.9	2.9	2.9
Rate of Increase in Salaries	4.7	4.4	4.2	4.2
Rate of Increase in Pensions	3.2	2.9	2.9	2.9
Rate of Discounting Scheme Liabilities	4.9	5.4	4.9	5.4

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

	31 March %	31 March £'000	Expected Return On Asset %
2006			
Equity Investments	66.0	4,605	7.0
Bonds	10.1	705	4.6
Other Assets	23.9	1,668	5.8
Total		6,978	
2005			
Equity Investments	62.5	3,226	7.5
Bonds	12.1	624	5.1
Other Assets	25.4	1,311	6.25
Total		5,161	

The movement in the net pension deficit for the year can be analysed as follows:

	£'000	£'000	£'000
Net Deficit at the Beginning of Year		-145,612	
Current Service Cost		-4,058	
Past Service Cost		-125	
Contributions		539	
Pensions Paid		4,455	
Contributions Firefighters		-979	
Finance Income			
Return on Assets	351		
Interest on Pension Liabilities	-8,161		
		-7,810	
Actuarial Gain/ (Loss)		-19,552	
Net Pension Deficit at Year End			-173,142

The actuarial gain/loss can be further analysed as follows:

	£'000
Actual loss expected on Pension Fund Assets	(24,858)
Gains Arising on Pension Assets	5,306

	(19,552)

11. **INVESTMENTS**

The investments below are specified investments under the Treasury Management Code of Practice which is supported by the Local Government Act 2003 and consist of the following institutions:-

Institutions	31 March 2006 £'000	31 March 2005 £'000
Short Term		
Bank of Scotland	2,490	2,770
Anglo Irish	2,200	0
Northern Rock	0	1,000
Norwich & Peterborough Building Society	0	1,000
Total	4,690	4,770

12. **GOVERNMENT GRANTS DEFERRED**

The balance on this account represents the value of the capital grants which have been applied to finance the acquisition or enhancement of fixed assets held in the asset register, which are subject to depreciation. The balance on this account will be released to revenue in line with depreciation.

	£'000
Balance at 31 March 2005	108
Grants and Contributions Applied during 2005/06	35
Written to Asset Management Revenue Account	-11
Balance at 31 March 2006	132

STATEMENT OF TOTAL MOVEMENT IN RESERVES

	REVENUE RESERVES	CAPITAL RESERVES				
	Pension Reserve £'000	Government Grants Deferred £'000	Capital Financing Account £'000	Fixed Asset Restatement Account £'000	Usable Capital Receipts £'000	Total £'000
Balance at 1 April 2005	-145,612	108	1,824	15,314	304	17,550
Net (Deficit)/Surplus for Year – Appropriations to Revenue	-7,978	-11	-401	0	0	-412
Financing of Fixed Assets	0	35	11	0	0	46
Revaluation of Assets	0	0	0	0	0	0
Disposals	0	0	0	-205	175	-30
Capital Spend 2005- 2005 - No Added Value	0	0	0	-138	0	-138
Deferred Charges Written Off	0	0	-284	0	0	-284
Actuarial Loss	-19,552	0	0	0	0	0
BALANCE AT 31 MARCH 2006	-173,142	132	1,150	14,971	479	16,732

NOTES TO THE STATEMENT OF TOTAL MOVEMENT IN RESERVES

1. Fixed Asset Restatement Account

This account represents the difference between the historic cost of fixed assets and their revaluation in the Asset Register. The account will be written down by the net book value of assets as they are disposed of and debited or credited with the deficits or surpluses arising on future revaluations.

2. Capital Financing Account

The Capital Financing Account (CFA) contains a number of entries concerning capital accounting. These include the excess of depreciation over revenue provisions for potential debt redemption and part of the financing of the 2005-2006 capital programme.

3. Pension Reserve

The actuarial gains and losses identified as movements on the Pensions Reserve in 2005/06 can be analysed into the following categories.

CATEGORY	2005/06		2004/05		2003/04		2002/03	
	£'000	Asset/ Liability %	£'000	Asset/ Liability %	£'000	Asset/ Liability %	£'000	Asset/ Liability %
Difference between expected and actual return on Assets	-7,978	5.41	-5,663	5.33	-4,622	5.11	-4,324	5.19
Difference between actuarial assumptions about liabilities and actual experience	-19,777	13.58	-14,603	13.73	-11,450	12.00	-1,756	2.10
Changes in the demographic and financial assumptions used to estimate liabilities	225	-0.15	-19,000	17.87	0	0	0	0
Totals	-27,530		-39,266		-16,072		-6,080	

CASH FLOW STATEMENT

	2005/06 £'000	2004/05 £'000
<u>REVENUE ACTIVITIES</u>		
EXPENDITURE		
Cash Paid to and on Behalf of Employees	18,904	18,033
Pensions Paid	4,512	4,658
Other Operating Costs	4,677	3,779
INCOME		
Contributions	-27,952	-26,852
Other Income	-314	-1,142
REVENUE ACTIVITIES NET CASH (INFLOW)/OUTFLOW	-173	-1,524
<u>SERVICING OF FINANCE</u>		
EXPENDITURE		
Interest Paid	345	204
INCOME		
Interest Received	-219	-142
<u>CAPITAL ACTIVITIES</u>		
EXPENDITURE		
Purchase of Fixed Assets	1,072	3,941
Other Capital Payments	0	-325
INCOME		
Capital Receipts	-175	-272
Capital Grants	-35	0
NET CASH (INFLOW)/OUTFLOW BEFORE FINANCING	815	1,882
MANAGEMENT OF LIQUID RESOURCES Increase/(decrease) in short –term deposits	-80	1,370
<u>FINANCING</u>		
EXPENDITURE		
Repayments of Amounts Borrowed	964	550
INCOME		
New Loans Raised	-2,364	-3,700
NET (INCREASE)/DECREASE IN CASH AND CASH EQUIVALENTS	-665	102

NOTES TO THE CASH FLOW STATEMENT

1. RECONCILIATION TO CONSOLIDATED REVENUE ACCOUNT

	<i>2005/06 £'000</i>	<i>2004/05 £'000</i>
Revenue Activities Net Cash Inflow	-173	-1,524
<u>NON-CASH MOVEMENTS ON REVENUE ACCOUNT</u>		
Decrease/(Increase) in Stock	-64	-82
Decrease/(Increase) in Debtors	63	1,164
Decrease/(Increase) in Payments in Advance	-42	87
Decrease/(Increase) in Creditors	-149	-316
Decrease/(Increase) in Receipts in Advance	262	-33
Minimum Revenue Provision	370	400
<u>ITEMS CLASSIFIED SEPARATELY ON CASHFLOW STATEMENT</u>		
Interest Paid	345	204
Interest Received	-219	-142
Contribution to Various Provisions (underspend 05/06)	590	0
Contribution to Capital Provision	0	476
Contribution from Provision for Pay Award	0	-954
Contribution from Provision for Transitional Funding	-281	0
Contribution from Provision for Computers	-35	-65
Contribution from Uniform Provision	-107	190
Contribution to Control Project Provision	-60	100
Contribution from Budget Provision for 2005-2006	-500	500
Contribution to Bad Debt Provision	0	-5
DEFICIT (SURPLUS) ON REVENUE ACCOUNT	0	0

2. RECONCILIATION OF MOVEMENT IN CASH AND CASH EQUIVALENTS

	31 March 2006 £'000	31 March 2005 £'000
Cash in Bank	26	896
Cash in Transit	-2	-207
Cash Held in Imprest Accounts	4	4
TOTAL	28	693
DECREASE IN CASH AND CASH EQUIVALENTS	-665	

