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Explanatory Foreword

This Statement of Accounts is produced by the County Treasurer and contains the County Council's accounts for the financial year ended 31 March 2003. Publication of these accounts is required under the Accounts and Audit Regulations 2003 and the Code of Practice on Local Authority Accounting, which also specify the format and content of the accounts. The requirements of CIPFA's Best Value Accounting Code of Practice 2000 (BV ACOP 2000) apply to the 2002-03 Statement of Accounts. The BV ACOP complements the Code of Practice on Local Authority Accounting and provides an authoritative guide to financial accounting for local authorities within the best value environment.

Summary of the 2002-03 Financial Year

The County Council's budget for 2002-03 was set at £317.312 million, an increase of 3.3% on the previous year. The budget also provided for a contribution to balances of £1.695 million.

The table below summarises the outturn position compared to the original budget, with an overall underspending compared to the original budget of £0.455 million. The main reasons for the underspending are the planned underspending on E-government and IT budgets to meet expenditure phased in subsequent years, a delay in the Minerals Local Plan Inquiry which will now be held in 2003-04, and a number of smaller underspendings in Education Services. These were offset by an overspending on social care for children of nearly £1 million mainly due to demand for placements.

Revenue Account Summary

The following table summarises the expenditure and income for the year: -

2001-02 Actual £000		2002-03 Budget £000	2002-03 Actual £000	2002-03 Difference £000
303,168	Service Expenditure during the year	315,617	315,162	455
307,152	Income from government grant and local taxpayers	317,312	317,312	0
3,984	Additions to/Withdrawals from balances	1,695	2,150	-455
1,341	County Fund balance at beginning of year	2,923	5,325	-2,402
5,325	County Fund balance at end of year	4,618	7,475	-2,857

The County Fund balance at 31 March 2003 is £7.475 million.

Capital Expenditure Summary

Capital expenditure in the year was £44.642 million, £2.699 million less than the approved capital budget. Of this underspending, £2.642 million (or 6% of the total budget) represents delays in cash payments on schemes in progress, which will now be spent in 2003-04. The program was financed from borrowing, capital receipts, grants and developer contributions.

Increasingly more of the capital programme is now funded from earmarked resources. Expenditure in 2002-03 includes £10 million on the improvement of schools through New Deals for Schools grants and over £21 million was spent on improving the highways network, such as Semmington bypass and Salisbury transport plan, as part of the Local Transport Plan which has been agreed with the Government.

The Capital Expenditure contributes towards the creation and maintenance of new assets for Wiltshire County Council. Expenditure during the year included: -

- Corsham School : £1.4 million on an extension to provide additional secondary places.
- Greentrees School : £1 million towards the construction of a new primary school in Salisbury
- King's Lodge School : £0.6 million on a six class extension which will enable the replacement of temporary accommodation
- Highways Structural Maintenance **:** £1 million on the repair and maintenance of non-principal roads within the County.

Long term debt outstanding increased during the year by £30.395 million, largely due to the funding requirements of the capital programme. New loans to the value of £45 million were taken out, £33 million from the Public Works Loans Board (PWLB) and £12 million from Banks and Building Societies. £14.605 million of PWLB loans were repaid

Mike Prince
County Treasurer

For further information concerning any items contained in this Statement please write to the County Treasurer, County Hall, Bythesea Road, Trowbridge, BA14 8JJ, or telephone (01225) 713604.

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 County Treasurer.

- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

- approve the Statement of Accounts.

The County Treasurer's Responsibilities

The County Treasurer is responsible for the preparation of the authority's Statement of Accounts in accordance with proper practice as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom ("the Code of Practice").

In preparing this Statement of Accounts, the County Treasurer has:

- selected suitable accounting policies and applied them consistently;

- made judgements and estimates that were reasonable and prudent;

- complied with the Code of Practice or, disclosed any non-compliance.

The County Treasurer has also:

- kept proper accounting records that were up to date;

- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the statement of accounts on pages 13 to 46 present fairly the financial position of the authority at the accounting date and its income and expenditure for the year ended 31 March 2003.

Mike Prince
County Treasurer
August 2003

Richard Tickell
Chairman, Standards Committee
September 2003

Statement on the System of Internal Financial Control

This statement is given in respect of the Statement of Accounts for Wiltshire County Council for the year ended 31st March 2003. It acknowledges my responsibility for ensuring that the County Council maintains and operates an effective system of internal financial control.

Any internal financial control system can only provide a reasonable and not an absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

Our internal financial control systems are based on a framework of financial regulations, contract regulations, financial procedure rules, administrative procedures (including segregation of duties), management supervision, regular management information and a system of delegation and accountability. The day to day maintenance of the systems is a responsibility for all managers within the Council.

In particular, our systems include:

- comprehensive and clearly defined revenue budget and capital expenditure guidelines
- regular preparation and review of financial reports which measure financial and other targets' performance against the forecasts

The Council is required by law to maintain an adequate and effective system of internal audit, which is provided by the Internal Audit Section of the Finance and IT Department. The main features are as follows:

- internal audit operates in accordance with current professional standards specified by CIPFA
- audit work is planned on the basis of a three-year overall strategy, linked to a risk assessment which prioritises the various services and activities to be audited over that period
- The Chief Auditor prepares an annual report on the performance and findings of internal audit, for the County Treasurer and the Standards Committee. This includes an independent opinion on the system of internal financial control.

My review of the effectiveness of the system of internal financial control is informed by:

- the work of managers within the Council
- the work of the internal auditors as described above
- the external auditors in their annual audit letter and other reports

Based on the information available to me from the various sources referred to above, in my opinion, our internal financial control systems are effective and no significant weaknesses have been identified in the systems of internal financial control for the period covered by this Statement.

Mike Prince
County Treasurer
August 2003

Auditor's Report

To Wiltshire County Council

We have audited the Statement of Accounts on pages 8 to 40 and 43 to 46 which have been prepared in accordance with the accounting policies applicable to local authorities. The Statement of Accounts comprises the Authority's accounts, on pages 13 to 40, which have been prepared in accordance with the accounting policies, set out on pages 8 to 12. Together with the Pension Fund accounts, on pages 45 to 46, which have been prepared in accordance with the accounting policies set out on page 43 to 44.

Respective Responsibilities of the County Treasurer and Auditors

As described on page 5 the County Treasurer is responsible for the preparation of the Statement of Accounts. Our responsibilities as independent auditors are established by statute, the Code of Audit Practice issued by the Audit Commission and our profession's ethical guidance.

We report to you our opinion as to whether the statement of accounts presents fairly the financial position and results of operations of the Council.

Basis of Opinion

We carried out our audit in accordance with the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission, which requires compliance with relevant audit standards.

Our audit included examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also included an assessment of the significant estimates and judgements made by or on behalf of the fund in the preparation of the financial statements and of whether the accounting policies are appropriate to the authority's and the fund's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion on the Authority's accounts

In our opinion the Statement of Accounts presents fairly the financial position of Wiltshire County Council at 31 March 2003 and its income and expenditure for the year then ended.

Opinion on the Pension Fund accounts

In our opinion the Statement of Accounts presents fairly the financial transactions of Wiltshire's Pension Fund during the year ended 31 March 2003, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the scheme year.

Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

J Steady, Audit Manager, Audit Commission

Statement of Accounting Policies

The general principles adopted in compiling the accounts of the County Council are in accordance with the recommendations of The Chartered Institute of Public Finance and Accountancy (CIPFA). They accord with CIPFA's Code of Practice on Local Authority Accounting 2000, and also with the guidance notes issued on the application of the Statements of Standard Accounting Practice (SSAPs), Financial Reporting Standards (FRSs), and Urgent Issues Task Force (UITF) abstracts as far as they are applicable. All are maintained on an historic cost basis. Any significant non-compliance is disclosed in the notes that follow.

Fixed Assets

These are valued as follows: -

Type of Asset	Basis of Valuation
Infrastructure assets	Should be shown at historic cost, less depreciation. In the absence of such information, the valuation at 1 April 1994 was based on the loans pool debt outstanding at that date. Expenditure incurred since is shown at historic cost, less depreciation.
Operational assets	Shown at either net current replacement cost or net realisable value based on existing use, depending on the type of asset.
Non-operational assets and surplus assets	Shown at either net current replacement cost or net realisable value, depending on the type of asset.

Fixed assets were originally valued on 1 April 1994 and since then have been re-valued on a four / five year rolling programme.

Treatment of Leases

The Council no longer has any finance leases in respect of equipment. Property lease rentals are charged directly to service revenue accounts.

Deferred Charges

These arise from expenditure which may properly be deferred, but which does not result in, or remain matched with, tangible assets. An example is capital expenditure on aided schools.

Basis of Charging for Capital

Service revenue accounts and trading accounts are charged annually with a capital charge for all fixed assets used. The Code of Practice requires that these capital charges include a provision for depreciation of the assets during the year and an interest charge comparable with the interest that could be earned on an investment of equivalent value to the assets. In order to comply with The Code of Practice 2000, depreciation is charged on buildings.

Internal Interest

Surplus monies arising from capital and revenue transactions may be utilised in lieu of borrowing from external sources. Memorandum interest on the average level of this internal borrowing is calculated by using the Local Authority 7-Day Notice Rate to enable an overall average borrowing rate to be calculated for the year.

Capital Receipts

Capital receipts from the disposal of assets, that have not been set aside for the redemption of debt or used to finance new capital expenditure, are held in the usable capital receipts reserve. In recent years the practice has been for 50% of usable capital receipts to be applied and for the reserve to have a nil balance. The policy from 1st April 2001 to 31st March 2004 is for all receipts that are not used to finance capital expenditure to be used to offset the funding shortfall in the Wiltshire Pension Fund, as agreed with the former Department of Transport, Local Authorities and the Regions (DTLR).

Debtors and Creditors

The accounts of the County Council are maintained on an accruals basis. Where actual amounts due are not known at the end of April, estimated amounts have been included. The only exceptions to this policy are schools, as described below. This policy is consistently applied each year and therefore does not have a material effect on this year's accounts.

For the first year since local management of schools, these accounts include schools' accounts on an accrual basis rather than the cash basis used in previous years.

Discontinued and Acquired Operations

Any operations discontinued or acquired during the year are shown separately on the consolidated revenue account.

Contingent Assets and Contingent Liabilities

No provision is made in the accounts for contingent assets or contingent liabilities where it is not practicable to estimate the amount involved or if there is considerable uncertainty over the possible outcome. However, where the amounts are likely to be material, the nature of the contingency is disclosed in a note to the accounts.

Exceptional Items, Extraordinary Items and Prior Year Adjustments

Exceptional items are included in the cost of the service to which they relate unless they are so material that fairer representation of the accounts is given by separate disclosure. Extraordinary items are included on the face of the consolidated revenue account. Prior year adjustments are accounted for in the year that they are identified and will be included in the cost of the service to which they relate unless they are so material that fairer representation of the accounts is given by separate disclosure. These items are also disclosed in a note to the consolidated revenue account.

Stocks and Work in Progress

Stocks are generally valued at the lower of actual cost or net realisable value, which accords with the requirements of the Code of Practice and SSAP 9. An average or standard cost is applied to calculate the cost. Work in progress on any uncompleted jobs, where the actual or estimated valuation of the job exceeds £5,000, is taken into the accounts at cost. Adjustments are made for attributable profits less any foreseeable losses and any payments received or receivable.

Government Grants

Grants in respect of revenue expenditure are included in the accounts in the year in which the related expenditure was charged. SSAP 4 requires that grants in respect of capital expenditure be credited to the revenue account over the useful life of the assets financed by those grants. Grants used to finance depreciable tangible assets since 1 April 1994 have been treated in accordance with SSAP 4. Prior to this, the Council did not comply with the standard to the extent that capital grants were used to reduce the cost of the assets; the resultant reduced annual charges to revenue were based on a period of approximately 25 years rather than the useful life of the assets.

Research and Development Expenditure

Research and development expenditure is written off in the year that it is incurred.

Cost of Support Services

All costs of a management and administrative nature have been fully recharged to all services in order to reflect the true cost of administering these services. The Corporate and Democratic Core is identified as a separate service, in accordance with CIPFA recommendations. This relates to costs that arise from the operation of the Council as a multifunction authority, which are not directly attributable to any one service. The basis of allocation used in 2002-03 was as follows: -

Cost	Basis of Allocation
Democratic Representation	Number of attendance's for each committee
Administrative Buildings	An accommodation charge based on floor area occupied, including depreciation on buildings. There is an additional postage charge based on actual recorded usage.
Professional Services	The Environmental Services Department charges professional fees to the capital and building maintenance programmes in accordance with national rates in use in the building industry.
Other Support Services	Charges are subject to service level agreements between the support services and the client departments.

Provisions

Provisions relate to liabilities, or losses, that are likely to be incurred but there is uncertainty as to the size and timing of those liabilities. Their purpose should be specific and should be charged to the revenue account of the service for which the expenditure would be incurred. The Provision for Credit Liabilities is slightly different and is explained below.

Provision for Credit Liabilities

Part IV of the Local Government and Housing Act 1989, which deals with the control of local authority capital expenditure and finance, requires local authorities to provide for credit liabilities arising from capital commitments, including the redemption of loan debt. A minimum annual provision has to be made from the revenue account, but the provision from capital receipts formerly required under the Act ceased from 1 September 1998. These transactions are part of the Capital Financing Reserve, but the provision for credit liabilities still needs to be disclosed as a memorandum account.

Provision for Bad and Doubtful Debts

Provisions in the balance sheet are at the Chief Officers' discretion, but where present are included at the CIPFA recommended levels unless otherwise stated.

Reserves

The County Council holds several earmarked reserves, in addition to the general County Fund balance. Generally, a reserve is a sum set aside from revenue which does not relate to a specific liability, but which may be earmarked for future expenditure.

VAT

Only irrecoverable VAT is included in revenue or capital expenditure.

County Fund

This is the main Fund of the County Council into which the precept, government grants, and other income are paid and from which the cost of providing services is met. The balance on the Fund is the surplus of the County Council's revenue income over its revenue expenditure.

Local Government Pension Fund for Wiltshire

This is administered by the County Council. A complete set of accounts and details of its nature, investment performance and actuarial position are reported separately in the Wiltshire Pension Fund Annual Report 2002-03, although a summary is given on pages 42 to 45.

Pensions

The pension costs that are charged to the accounts in respect of the Authority's 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 costs have been determined on the basis of contribution rates that are set to meet 100% of the liabilities of the Pension Fund, in accordance with relevant Government regulations. As a result, the County Council does not comply with the accounting requirements of UKGAAP in accounting for pension costs, and the liabilities included within the balance sheet are understated in respect of pension costs. However, in accordance with standard accounting practice, the additional costs that it would then have been necessary to provide for in the accounts for the period using UKGAAP are disclosed by way of a note to the accounts.

An additional memorandum note disclosing the authority's net liability in relation to pensions has been added in accordance with the transitional arrangements for reporting under FRS 17 *Retirement Benefits*.

Endowment and Trust Funds

The County Council administers 15 such funds. They mostly consist of small sums received from private individuals, which have been invested by the County Council in order to provide an annual income. Two of the funds are of significant size and three others exceed £100,000. They do not form part of the County Council's accounts, but are shown on page 41 and 42.

Investments

The investments are shown in the Consolidated Balance Sheet at their historic cost.

Deferred Liabilities

The outstanding value of property leases is shown in the balance sheet as a deferred liability. The figure at 31 March 2003 is based on the actual value of lease payments outstanding.

Foreign Currency Transactions

Foreign currency transactions are accounted for on the basis of the equivalent sterling value of the underlying transaction, by applying the relevant exchange rate ruling at the time. Where overseas securities are acquired with currency either previously purchased directly or accruing from the sale of securities, the sterling book cost of the new security will be based on the exchange rate ruling at the time of purchase of that security. Any profit or loss arising on currency transactions will be reflected in the balance sheet, either as a realised or unrealised profit.

Post Balance Sheet Events

Events which occur after the balance sheet date and concern conditions which did not exist at that time are disclosed in a note to the accounts if their effect is likely to be material.

PFI

Contract payments in respect of PFI contracts are charged to the revenue account in the year in which they are due. Reimbursements in respect of these contracts, such as government grants, are credited to the revenue account in which they are receivable.

The Consolidated Revenue Account

Net Spending 2001-02 £000		Gross Spending 2002-03 £000	Gross Income 2002-03 £000	Net Spending 2002-03 £000
	Expenditure on Services			
	Continuing Operations			
1,018	Central Services to the Public	1,622	778	844
10,352	Other Operating Income and Expenditure	22,005	10,708	11,297
19,632	Cultural, Environment and Planning Services	25,607	4,023	21,584
184,936	Education Services	228,539	40,557	187,982
21,710	Highways, Roads and Transport Services	29,474	4,156	25,318
98	Housing Services	378	127	251
65,187	Social Services	107,245	35,985	71,260
4,271	Corporate and Democratic Core	6,504	1,245	5,259
5,931	Unapportionable Central Overheads	3,916	471	3,445
313,135	Net cost of services	425,289	98,050	327,239
637	Contribution to council tax benefit costs arising from subsidy limitation			0
665	Net surplus(-) / deficit of DSO *Discontinued*			0
-15,400	Net expenditure on asset management revenue account			-17,224
-140	Interest and investment income			-189
298,897	Net Operating Expenditure			309,826
300	Contributions to/from(-) insurance reserve			116
2,966	Contribution to/from(-) other earmarked reserves			2,972
213	Financing of Capital Expenditure			1,440
792	Reconciling amount for provisions for loan repayment			808
303,168	Amount to be met from Government grant and local taxation			315,162
-113,255	Council precepts			-125,535
-89,392	General government grants			-77,480
-104,582	Non-domestic rates redistribution			-114,739
77	Transfers (from) / to the Collection fund in respect of surpluses / deficits			442
-3,984	Total Deficit/Surplus (-) for the Year			-2,150

	Change in County Fund Balance	
1,341	Balance at 1 April	5,325
3,984	Deficit (-)/Surplus for the Year	2,150
5,325	Balance at 31 March	7,475

Notes to the Consolidated Revenue Account

1. CIPFA Best Value Accounting Code of Practice - Service Expenditure Analysis

The Accounting Code of Practice requires expenditure to be reported according to the CIPFA Best Value Accounting Code of Practice service expenditure analysis. This is given in detail below: -

Net Spending 2001-02 £000		Gross Expenditure 2002-03 £000	Gross Income 2002-03 £000	Net Spending 2002-03 £000
	Central services to the Public			
350	Registration Births, Deaths & Marriages	726	380	346
179	Elections	0	0	0
2	Emergency Planning	200	199	1
0	Local Land Charges	199	199	0
487	General Grants, Bequests & Donations	497	0	497
	Other Operating Income & Expenditure			
13,661	Precepts & Levies	13,266	140	13,126
-1,782	Trading account surpluses & deficits	8,739	10,568	-1,829
-15,400	Asset Management revenue account balance	-14,545	2,679	-17,224
-140	Interest and Investment Income	0	189	-189
-225	Extraordinary Item and Prior Year Adjustment	0	0	0
	Cultural and Related Services			
637	Culture & Heritage	2,241	1,328	913
1,404	Recreation & Sport	1,889	342	1,547
5,227	Library service	5,925	631	5,294
	Environmental Services			
1,768	Flood Defence and Land drainage	2,075	0	2,075
483	Agricultural Services	1,256	687	569
1,181	Consumer Protection	1,324	178	1,146
7,286	Waste disposal	8,865	820	8,045
	Planning and Development Services			
1,032	Planning policy	1,363	37	1,326
56	Environmental initiatives	0	0	0
558	Economic development	669	0	669
	Individual School Funds			
66,333	Delegated Primary School budgets	71,653	2,381	69,272
71,210	Delegated Secondary School budgets	66,530	7,584	58,946
4,674	Delegated Special School budgets	5,163	304	4,859
-1,639	Grants devolved to primary schools	12,396	10,381	2,015
-1,479	Grants devolved to secondary schools	6,003	4,756	1,247
-49	Grants devolved to special schools	238	196	42
	LEA Central School Funds			
14,690	Schools strategic management	15,588	278	15,310
-100	Non-delegated school grants	0	0	0
2,783	Facilitating school improvement	8,395	5,407	2,988
11,614	Supporting SEN	13,473	1,452	12,021
10,651	Assuring access to schools	13,099	888	12,211

Continued.

Net Spending 2001-02 £000		Gross Expenditure 2002-03 £000	Gross Income 2002-03 £000	Net Spending 2002-03 £000
	Schools Exp. Outside the Local Schools Budget			
767	Inter-authority recoupment	1,375	429	946
51	Excluded Pupils	57	0	57
	Non-School Funding			
2,487	Strategic management of non-school services	2,846	268	2,578
2,189	Pre-School Education	7,040	4,585	2,455
315	Adult Education	968	646	322
74	Community Education	853	742	111
16	Support for students	-23	0	-23
0	Home to college transport	0	0	0
2,308	Youth Service	2,748	248	2,500
131	Residual pension liabilities	137	12	125
	Highways, Roads & Transport Services			
1,339	Transport planning, policy and strategy	2,642	1,070	1,572
8,240	Highways/roads (structural)	10,793	364	10,429
9,294	Highways/roads (routine)	10,338	505	9,833
824	Traffic management and road safety	1,167	57	1,110
91	School Crossing Patrols	97	0	97
1,922	Public Transport	4,437	2,160	2,277
	Housing Services			
98	General Fund (Other Council Property)	378	127	251
	Adult and Community Services			
382	Service Strategy	175	0	175
5,245	C&F - Commissioning	6,941	1,506	5,435
5,388	C&F - Children Looked After	8,107	1,376	6,731
1,295	C&F - Family Support Services	2,738	1,493	1,245
325	C&F - Youth Justice	1,049	637	412
1,057	C&F - Other Services	1,336	363	973
25,759	Older People (Age 65+)	44,360	14,648	29,712
5,476	Adult Care - Physical or Sensory Disability	7,478	1,832	5,646
17,068	Adult Care - Learning Disability	29,652	12,257	17,395
2,157	Adult Care - Mental Health Needs	4,064	1,440	2,624
4	Asylum Seekers	191	191	0
914	Other Adult Care Services	879	242	637
173	Supported Employment	275	0	275
	Corporate and Democratic Core			
933	Democratic Representation and Management	2,917	1,245	1,672
3,283	Corporate Management	3,587	0	3,587
3,841	Unapportionable Central Overheads	3,916	471	3,445
298,897	TOTAL EXPENDITURE	410,745	100,918	309,826

2001-02 comparison figures have been restated to be consistent with 2002-03 reporting. The total expenditure for 2001-02 remains the same.

The analysis of expenditure by County Council Service is as follows: -

Net Spending 2001-02 £000		Gross Spending 2002-03 £000	Gross Income 2002-03 £000	Net Spending 2002-03 £000
187,713	Children, Education and Libraries	242,903	54,094	188,809
41,512	Environmental Services	53,672	6,640	47,032
3,058	Corporate and Central Services	16,246	14,579	1,667
66,614	Adult and Community Services	97,923	25,605	72,318
298,897		410,745	100,918	309,826

2. The Asset Management Revenue Account

The net expenditure on this account represents the difference between the interest charged to service revenue accounts through the capital charges and the interest actually paid by the Council.

2001-02 £000		2002-03 £000
	Analysis of net expenditure	
2,858	Depreciation	3,397
322	Amortisation of Deferred Charges	450
-20,741	Capital Charges to revenue accounts	-24,074
4,317	Interest Paid	5,176
-1,839	Contributions from external organisations	-1,822
-317	Amortisation of capital grants & developer contributions	-351
-15,400		-17,224

3. Finance and Operating Leases

The Council holds various capital assets under finance leases or leases that otherwise rank as credit arrangements under Government capital finance controls. Rentals paid in the year in respect of these were £0.323 million, all of which related to property leases.

The Council also has the use of assets under the terms of operating leases. The amount paid under these leases in 2002-03 was £0.500 million (£0.629 million in 2001-02) and the amounts required in future years are as follows: -

	£000
2003-04	690
2004-05	775

4. Section 137 Expenditure

Section 137 of the Local Government Act 1972 as amended by Schedule 2 of the Local Government and Housing Act 1989, empowers a local authority to spend up to £2.50 per head of the relevant population for the benefit of its area or its inhabitants on items for which it has no other powers to spend and where there are no statutory prohibitions on spending. In 2002-03 the total available under this provision was £1.104 million of which the County Council spent £0.038 million.

2001-02 £000		2002-03 £000
38	Victoria County History	38
38		38

5. Expenditure on Publicity

The table below shows the expenditure by the Council on certain categories of publicity and is published in accordance with Section 5(1) of the Local Government Act 1986. These categories are:

- Staff advertising
- Costs of staff wholly or mainly engaged on publicity
- Other publicity, including press notices and newspapers or periodicals published by or on behalf of the Council.

2001-02 £000		2002-03 £000
381	Environmental Services	482
469	Children, Education and Libraries	516
196	Corporate and Central Services	452
367	Adult and Community Services	465
1,413		1,915

6. Income from Bodies Under the Local Authority (Goods and Services) Act 1970

This Act provides for public bodies to provide goods and services to one another on a trading basis. In 2002-03 the County Council's income from the activities covered by the Act was as follows: -

Income 2001-02 £000		Income 2002-03 £000	Associated Expenditure 2002-03 £000
749	Other Local Authorities	926	684
307	Police Authority	299	298
266	Other Public Bodies (including Parish Councils)	205	177
1,322		1,430	1,159

7. Teachers' Pensions

In 2002-03 the County Council paid £8.168 million to the Department for Education and Employment in respect of teachers' pension costs, which represents 8.35% of teachers' pensionable pay. In addition, the County Council is responsible for all pension payments relating to added years it has awarded, together with the related increases. In 2002-03 these amounted to £1.790 million.

8. Pensions for Other Employees

In 2002-03 the County Council paid an ongoing employer's contribution of £13.609 million into the Pension Fund, representing 19.9% of pensionable pay. The contribution rate is determined by the Fund's actuary based on triennial valuations, the last review being at 31 March 2001. Under Pension Fund Regulations contributions rates are set to meet 100% of the overall liabilities of the Fund.

Additional contributions of £3.285 million were paid into the Pension Fund from Set-aside Capital Receipts in accordance with the Government's dispensation.

The County Council's pension cost contribution in 2002-03 was the same as the necessary level advised by the Fund's actuary, to be in accordance with SSAP 24 "Accounting for Pension Costs".

In addition, the County Council is responsible for all pension payments relating to the added years benefits it has awarded, together with the related increases. In 2002-03 these amounted to £0.386 million.

There were no capital cost of discretionary increases in pensions payments (for example, discretionary added years) agreed by the County Council and made in 2002-03. However, the capital cost of those discretionary increases in earlier years for which payments are still being made amounted to £1.376 million.

The County Council has already paid capital sums in respect of augmented added years of £0.310 million in 2002-03 and £1.780 million in previous years.

Further information can be found in the Wiltshire Pension Fund Annual Report 2002-03, which is available on request.

8.1 Memorandum Note in accordance with FRS 17 transitional arrangements

As part of the terms and conditions of employment of its officers and other employees, the Authority offers retirement benefits. Although these will not actually be payable until employees retire, the Authority has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Authority participates in 2 pension schemes:

- The Local Government Pension Scheme for civilian employees, administered by Wiltshire County Council – this is a funded scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level estimated to balance the pensions liabilities with investment assets

- The Teacher's Pension Scheme for teachers – this is an unfunded scheme, meaning that there are no investments assets built up to meet the provisions liabilities, and cash has to be generated to meet actual pensions payments as they eventually fall due. The liability for this scheme falls upon central government.

In 2002-03, pension costs have been charged to the consolidated revenue account on the basis of contributions payable for the year to the Wiltshire County Council pension scheme (based on a formal actuarial valuation for 31 March 2001) and the pensions payable in the year to retired officers. However, at 31 March 2003, the Authority had the following overall assets and liabilities for pensions that have not been included in the balance sheet:

	Local Government Pension Scheme £ million
Estimated Liabilities in Scheme	285.4
Estimated Assets in Scheme	169.9
Net Asset / Liability (-)	*-115.5*

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependant on assumptions about mortality rates, salary levels, etc. The County Council Fund liabilities have been assessed by Hymans Robertson, an independent firm of actuaries. The main assumptions used in their calculations are:

	Local Government Pension Scheme
Rate of Inflation	2.5%
Rate of Increase in salaries	4.0%
Rate of increase in pensions	2.5%
Rate for discounting scheme liabilities	6.1%

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:

	%
Equity investments	66.9%
Bonds	22.9%
Other assets	10.2%
	100.0%

9. Minimum Revenue Provision for the Repayment of External Loans

The Local Government and Housing Act 1989 requires local authorities to charge to the revenue account an amount equal to 4% of the credit ceiling, as a minimum provision for the repayment of external debt. In 2002-03 the amount charged by the County Council was £4.303 million.

10. Members' Allowances

The total amount of members' allowances paid in 2002-03 in respect of basic allowance, special responsibility and attendance allowance was £0.355 million.

11. Officers' Emoluments

The Accounts and Audit Regulations require disclosure of the numbers of officers whose remuneration in 2002-03 exceeded £50,000, analysed into bands of £10,000. In some cases the remuneration of an officer may exceed £50,000 or fall into a higher band than it would otherwise as a result of redundancy payments. The figures include staff at Wiltshire schools for the first time.

Remuneration	Number of Officers (including redundancy payments) 2001-02	Number of Officers (excluding redundancy payments) 2001-02	Number of Officers (including redundancy payments) 2002-03	Number of Officers (excluding redundancy payments) 2002-03
£90,000 - £99,999	1	1	1	1
£80,000 - £89,999	1	1	2	2
£70,000 - £79,999	4	4	6	6
£60,000 - £69,999	5	5	6	6
£50,000 - £59,999	11	11	31	30
	22	22	46	45

12. Related Party Transactions

Related Parties of a Local Authority include Central Government, Other Local Authorities and Precepting Bodies, Subsidiary and Associated Companies, Joint Ventures, Pension Funds, Members and Chief Officers: -

Central Government	Details of transactions with Central Government are given throughout the Statement of Accounts.
Other Local Authorities and Bodies	Details of income derived from these bodies is given in note 6 of the Consolidated Revenue Account.
Wiltshire and Swindon Fire Authority	A precept of £12.193 million was paid in 2002-03.
Members	During 2002-03 the following payments were made: • £1.290 million to West Wiltshire Primary Care Trust, of which the chairperson is a County Councillor • £0.769 million to C Bodman & Sons Coaches, an employee of the firm is a County Councillor • £0.085 million to Salisbury Playhouse, of which a County Councillor is an employee
Chief Officers	There were no material transactions during the year.

13. Exceptional Items

On 27th July 2000, the Court of Appeal upheld a decision of the High Court that local authorities could not lawfully charge for services provided under Section 117 of the Mental Health Act 1983. An appeal against this decision was made to the House of Lords by four local authorities, but was dismissed in July 2002. A provision of £0.665 million was made in the 2001-02 Statement of Accounts for the potential liability arising for the refund of fees with interest. Repayments to clients began in the last quarter of 2002-03 and the provision has therefore been reduced to £0.589 million.

This item is not shown separately on the Consolidated Revenue Account but within the Department for Adult and Community Services Expenditure lines.

14. Implementation of the Euro

There has been no expenditure on the implementation of the Euro in 2002-03.

15. Joint Arrangement

Wiltshire County Council has entered into a partnership with Great Western Enterprise (GWE), (previously Great Western Commerce and Enterprise) in order to provide economic development services to the people of Wiltshire. Wiltshire County Council's annual revenue contribution is £0.399 million, which is accounted for in the consolidated revenue account. GWE hold balances to fund economic development projects, which are partly met, from both WCC and other partners' contributions. The total income and expenditure on these project accounts for 2002-03 is £0.043 million and £0.173 million respectively. Their value at the financial year-end is £0.246 million.

A joint arrangement has been entered into with Connexions.WS Ltd., in order to provide a range of services to all young people aged 14-19. There is no revenue contribution from Wiltshire County Council. Expenditure, which totalled £0.044m in 2002-03, is covered by a grant from Connexions.WS Ltd. However there is a considerable 'in-kind' cost arising from the joint arrangement. The majority of this cost relates to staff and premises of statutory service teams within the Department for Children, Education and Libraries that has been directed towards or contributes in some way to this new service.

16. Long Term Contracts

Waste Contract
The Council is committed to making contract payments to Hills Waste estimated at £5.504 million for the financial year 2003-04 for the provision of waste services including recycling. The contract expires in 2016 and the actual level of payments per annum under the contract depends on the quantities of waste disposed of during the preceding years.

Residential Homes
The Council has a contract with the Order of St John Trust for the block purchase of a specified number of residential placements. The contract provides for 'step down' arrangements and the block placements will reduce to zero by October 2005. In 2003-04 the total commitment is £4.109 million. The same contract also commits to the purchase of day care places at a net cost to the Council of £1.058 million.

Private Finance Initiative
The Council is committed to making average annual payments estimated at £5.3 million (range £4.3 million to £6.3 million p.a.) for a period of 30 years, from March 2002, under a PFI contract with the White Horse Education Partnership for the provision and services to three new secondary schools at Chippenham, Wootton Bassett and Malmesbury.

17. Pooled Budgets Established under Mental Health Act 1999

An agreement between the Wiltshire Health Authority and Wiltshire County Council established a pooled fund in 2001-02. The objectives of this fund are set out in the Section 31 Mental Health Act 1999. They are to: -

- Improve commissioning arrangements for the benefit of users, carers, and providers
- Manage the total resources for Mental Health services within one arrangement
- Increase the quality and quantity of service in Swindon and Wiltshire
- Meet the requirements of the National Service Framework for Mental Health services and the National Service Framework for Older People, the National Plan for the NHS and any Government policies in a coherent and comprehensive way.
- To meet the requirements for Best Value of the County Council and any other value for money responsibilities of either party.

The following extract summarises the pooled budget activities in 2002-03: -

Gross Expenditure £ million	Gross Income £ million	Net Expenditure £ million
40.896	40.925	-0.029

Wiltshire County Council made a contribution of £8.267 million towards the pooled budget in 2002-03. The net underspend of £0.029 million is held in the balance sheet as an earmarked reserve and will be used in 2003-04.

The Consolidated Balance Sheet as at 31 March 2003

2001-02 £000		Note	2002-03 £000	2002-03 £000
309,557	Fixed Assets	1		350,519
9,663	Deferred Charges	2		9,516
16,230	Long Term Debtors	3		15,328
335,450	Total Long Term Assets			375,363
	Current Assets			
500	Stocks and Work in Progress	4	410	
39,909	Debtors	5	41,898	
16,500	Short Term Investments	6	34,600	
12,158	Cash in Hand	7	17,010	93,918
404,517	Total Assets			469,281
	Current Liabilities			
39,744	Creditors	8	48,708	
2,756	Deposits	9	1,982	
3,120	Temporary Loans	10	8,036	
23,574	Cash Overdrawn	11	23,654	82,380
335,323	Total Assets less Current Liabilities			386,901
78,523	Long Term Borrowing	10	105,469	
4,538	Deferred Liability - Finance Leases	12	4,519	
11,619	Government Grants Deferred		12,221	122,209
240,643	Total Assets less Liabilities			264,692
97,766	Fixed Asset Restatement Reserve	13		97,805
97,666	Capital Financing Reserve	14		115,072
5,894	Usable Capital Receipts Reserve	15		6,612
18,156	Earmarked Reserves	16		22,684
15,836	Deferred Credit-Swindon Debt Outstanding	17		15,044
5,325	County Fund Balance			7,475
240,643	Total Equity	18		264,692

Notes to the Consolidated Balance Sheet

1. Fixed Assets

1.1. Capital Expenditure

Total 2001-02 £000		Land and Construction 2002-03 £000	Vehicles and Equipment 2002-03 £000	Grants and Advances 2002-03 £000	Total 2002-03 £000
	Environmental Services				
1,229	- County Farms	0	0	0	0
0	- Gypsy Sites	209	0	0	209
20,489	- Highways	24,017	396	0	24,413
0	- Refuse Disposal	0	0	0	0
645	- Other	703	0	0	703
11,521	Children, Education and Libraries	14,472	466	0	14,938
0	Corporate and Central Services				
233	- Administration of Justice	419	78	0	497
-2	- Other	0	200	3,348	3,548
228	Adult and Community Services	260	32	42	334
34,343		40,080	1,172	3,390	44,642

1.2. Financing of Capital Expenditure

2001-02 £000		2002-03 £000
	Covered by Credit Approvals	
15,939	- loan	23,946
0	- credit arrangements	0
3,655	- provision for credit liabilities	4,303
2,776	Usable Capital Receipts	7,933
7,324	Capital Grants and developer contributions	9,334
3,377	Capital Reserve	0
-3,875	Unfinanced expenditure brought forward	-5,147
5,147	Unfinanced expenditure carried forward	4,273
34,343		44,642

1.3. Movement in Fixed Assets

	Balance at 1 Apr 02 £000	Expenditure in year £000	Disposals in year £000	Revaluations in year £000	Depreciation in year £000	Balance at 31 Mar 03 £000
Operational assets						
- Land and buildings	220,279	2,192	-180	20,402	-1,020	241,673
- Vehicles, plant, furniture and equipment	1,641	899	-28	0	-405	2,107
- Infrastructure assets	58,664	23,261	0	0	-1,971	79,954
Non operational assets	28,973	0	-2,090	-98	0	26,785
2002-03	309,557	26,352	-2,298	20,304	-3,396	350,519
2001-02	275,710	21,491	-16,309	31,523	-2,858	309,557

The table above is prepared on a Net Book Value basis.

1.4. Capital Disposals

Land and Buildings Sold 2001-02 £000		Land and Buildings Sold 2002-03 £000	Vehicles Furniture Apparatus & Equipment Sold 2002-03 £000	Non Operational Assets Sold 2002-03 £000	Total Capital Disposals 2002-03 £000
	Environmental Services				
2,698	- County Farms	3,348	0	0	3,348
22	- Transport and Highways	46	0	0	46
3,475	Children, Education and Libraries	4,650	0	0	4,650
600	Corporate and Central Services	682	0	0	682
152	Adult and Community Services	25	0	0	25
6,947		8,751	0	0	8,751

The table above shows the value of cash received in respect of those assets disposed of during the year, costs of sale amounted to £0.100 million, giving net receipts of £8.651 million.

1.5. Significant Commitments under Capital Contracts

The value of significant commitments under capital contracts, in which amounts of greater than £100,000 are contracted to be paid after 31 March 2003, was £19.412 million.

1.6. Statement of Physical Assets

This Statement indicates the broad categories of fixed assets owned by the County Council. The Code only requires that a broad summary of assets should be shown.

2001-02		2002-03
3,654	Land (hectares)	3,221
	Buildings (numbers)	
94	- Primary Schools	96 *
15	- Secondary Schools	16 *
7	- Special Schools	7
1	- Adult Education Centre	1
18	- Youth and Community	17
7	- Sports and Leisure	6
22	- Administrative and Magistrates Courts	23
48	- Adult and Community Services	45
16	- Libraries	16
7	- Gypsy Sites	5
12	- Highways and WDS Depots	12
67	- County Farms	60

* All Voluntary Aided and Voluntary Controlled Schools have been included where the County Council owns either the playing fields, some mobiles, or both.

Buildings included above are those valued at £50,000 or more and owned by the County Council.

2001-02		2002-03
	Roads (km)	
571	- Principal County Roads	572
3,777	- Other County Roads	3,818

The maintenance of the Motorways and Trunk Roads transferred to WS Atkins from 1 April 1999.

2001-02		2002-03
	Vehicles, Plant and Equipment (numbers)	
8	- Vans	8
8	- Lorries	13
0	- Tractors	0
5	- Land Rovers	5
3	- Mobile Libraries	3
46	- Mini Buses	50
43	- Gritters	47

The figures above show only assets valued at more than the "de minimis" value of £10,000.

1.7. Assets Held Under Capital Leases

The County Council's fixed assets include a number of items held under finance leases. These may be summarised as follows:

	Gross Book Value £000	Accumulated Depreciation £000	Book Value £000
Property	6,437	70	6,367
	6,437	70	6,367

Outstanding finance lease obligations, including relevant property leases, at 31 March 2003 amounted to £4.519 million.

1.8. Valuation of Fixed Assets

Fixed assets are included in the Consolidated Balance Sheet at their current value, as described in the Statement of Accounting Policies. An analysis is given below. A rolling programme of revaluation ensures that each property is revalued at least every 5 years. Valuations are carried out by the County Council's own valuers, who are RICS qualified.

2001-02 £000		2002-03 £000
221,920	Operational Assets	243,780
58,664	Infrastructure Assets	79,954
28,973	Non-operational Assets	26,785
309,557		350,519

Valuations have been included for the value of all playing fields and mobile classrooms owned by the County Council at Voluntary Aided and Voluntary Controlled Schools.

The County Council has provided three secondary schools under the terms of a PFI Contract (see note to Revenue Account no. 16). Under the requirements of FRS5, these properties are excluded from the balance sheet for the County Council, and so are not included in the Valuation of Fixed Assets shown here.

2. Deferred Charges

The Deferred Charges represent capital expenditure on school buildings (Voluntary Aided, Voluntary Controlled and Foundation schools) which the County Council does not own and hence they do not appear in its Fixed Assets.

	Balance 1 Apr 02 £000	Expenditure in year £000	Charged to Revenue in year £000	Balance 31 Mar 03 £000
Total 2002-03	9,663	303	-450	9,516
Total 2001-02	7,230	2,755	-322	9,663

3. Long Term Debtors

2001-02 £000		2002-03 £000
40	Car loans to staff	22
249	Deferred consideration for C.P.D. Ltd	177
2	Long term advances of pay to staff	1
8	Footway lighting	2
96	Adaptation Loans	82
15,836	Swindon share of debt outstanding (see Note 17)	15,044
16,231		15,328

4. Stocks and Work in Progress

2001-02 £000		2002-03 £000
458	Environmental Services	368
39	Children, Education and Libraries	32
3	Corporate and Central Services	10
0	Adult and Community Services	0
500		410

5. Debtors

These represent sums owed to the County Council for supplies and services provided before 31 March 2003, but not received at that date.

5.1 Analysis of Debtors by Category

2001-02 £000		2002-03 £000
4,574	Government Departments	3,652
13,650	General Debtors	12,102
21,847	Payments in Advance	26,573
-162	Provision for Bad Debts	-429
39,909		41,898

5.2 Analysis of Debtors by Service

2001-02 £000		2002-03 £000
1,987	Environmental Services	2,178
18,953	Children, Education and Libraries	23,910
14,906	Corporate and Central Services	11,009
3,562	Adult and Community Services	4,433
501	Mental Health Pooled Budgets	368
39,909		41,898

6. Investments

These are shown at Book Value, less any provision for losses in value of marketable securities, as follows: -

2001-02 £000		2002-03 £000
16,500	Short Term Investments	34,600
16,500		34,600

7. Cash in Hand

This is made up of the value of imprest accounts used by County Council establishments for small purchases and the bank accounts of locally managed schools.

2001-02 £000		2002-03 £000
97	County Council imprest accounts	103
0	County Fund Balance	0
12,061	Schools' bank accounts	16,907
12,158		17,010

8. Creditors

These represent sums owed by the County Council for supplies and services received before 31 March 2003 but not paid for at that date, or provisions created in accordance with the accounting policies. The total also includes items whose accounting treatment has not yet been determined and which are held in suspense accounts.

8.1. Analysis of Creditors by Category

2001-02 £000		2002-03 £000
5,810	Government Departments	4,476
30,405	General Creditors	39,580
181	Suspense Accounts	149
1,509	Payments Received in Advance	2,881
1,839	Provisions	1,622
39,744		48,708

8.2. Analysis of Creditors by Service

2001-02 £000		2002-03 £000
7,295	Environmental Services	8,349
6,878	Children, Education and Libraries	11,569
17,903	Corporate and Central Services	22,006
7,094	Adult and Community Services	5,889
574	Mental Health Pooled Budgets	895
39,744		48,708

8.3. Movement in Provisions

A provision of £0.573 million relates to interest payments due to landowners where the County Council gained land entry more than one year ago. Payments will be made when the County Council valuers and the landowners have agreed the final valuation.

	Balance at 1 Apr 02 £'000	Movements in year £'000	Balance at 31 Mar 03 £'000
Land Compensation (Highways Schemes)	595	-22	573

9. Deposits

Deposits consist mainly of cash received from developers in lieu of bonds or as contributions to road improvements. They are repayable with interest, and the figure shown includes accrued interest.

10. Borrowing

10.1. Analysis of Loans by Maturity

2001-02 £000		2002-03 £000
	Less than 1 year	
515	Short Term Borrowing	1,982
2,605	Long Term Borrowing	6,054
3,120	Total Less Than One Year	8,036
	More than 1 year	
3,054	Between 1 and 2 years	3,054
8,163	Between 2 and 5 years	7,113
6,367	Between 5 and 10 years	18,365
2,585	Between 10 and 15 years	3,584
58,354	More than 15 years	73,353
78,523	Total More Than One Year	105,469
81,643	Total Borrowing	113,505

10.2 Analysis of Loans by Type

Balance 1 Apr 02 £000		Raised £000	Repaid £000	Balance 31 Mar 03 £000
	Short Term Borrowing			
515	Pension Fund	1,467	0	1,982
0	Other	7,800	7,800	0
515		9,267	7,800	1,982
	Long Term Borrowing			
81,128	Public Works Loan Board	33,000	14,605	99,523
0	Banks & Building Societies	12,000	0	12,000
81,128		45,000	14,605	111,523
81,643	Total Borrowing	54,267	22,405	113,505

10.3 Provision for Credit Liabilities (Memorandum Account)

Government regulations introduced on Local Authority capital expenditure and financing, with effect from 1 April 1990, under part IV of the Local Government and Housing Act 1989, include the requirement to provide for the future redemption of credit liabilities, primarily debt. The regulations require an annual Minimum Revenue Provision of 4% of the authority's long term borrowing limit or "credit ceiling". The Council no longer sets aside 50% of its capital receipts, this element is instead paid into the Pension Fund to reduce its deficit, under a special dispensation obtained from the former DTLR.

2001-02 £000		2002-03 £000
0	Balance at 1 April	0
3,656	Minimum revenue provision	4,303
3,656		4,303
3,656	Less financing of new expenditure	4,303
0	Less net repayment of external debt	0
0	Balance at 31 March	0

The provision has been debited with net loan repayments and capital expenditure justified by credit approvals.

11. Cash Overdrawn

The County Council's accounts show an overdrawn cash position of £23.654 million. However, the actual net balance on the corporate bank accounts was a debit of £0.052 million which, is included in the Cash in Hand figure. This difference is due to un-presented cheques and BACS payments.

12. Deferred Liability - Finance Leases

This represents the value of future years' liabilities for finance and property lease rentals.

	Discounted Value £000	Actual Value £000
Outstanding finance lease rentals at 31 March 2003	2,002	4,519

13. Fixed Asset Restatement Reserve

2001-02 £000		2002-03 £000
92,940	Balance at 1 April	97,766
-14,852	Asset and deferred charges disposals	-2,298
-10,054	Capital expenditure not added to assets	-17,987
31,522	Revaluation adjustments	20,304
-333	Deferred liability adjustment	19
-1,457	Movement in value of Probation Service assets	0
97,766	Balance at 31 March	97,805

14. Capital Financing Reserve

The Capital Financing Reserve is credited with all sources of finance for capital expenditure, other than loans. It also incorporates the amounts formerly included in the Provision for Credit Liabilities.

2001-02 £000		2002-03 £000
85,472	Balance at 1 April	97,666
3,377	Capital expenditure financed from the Capital Reserve	0
2,777	Capital expenditure financed from capital receipts	7,933
0	Reserved capital receipts	0
317	Release of deferred capital grants & developer contributions	351
798	Provision from revenue*	906
-322	Amortisation of deferred charges	-450
4,624	Adjustment for capital grant on non-asset expenditure	8,626
623	Other adjustments	40
97,666	Balance at 31 March	115,072

*This is the amount by which the Minimum Revenue Provision exceeds the depreciation charges.

15. Usable Capital Receipts Reserve

Capital receipts are funds received by the County Council from the sale of capital assets and repayments of grants and advances. Until 1 September 1998, the Local Government and Housing Act 1989 provisions required that, where sale proceeds were £6,000 or higher, 75% of capital receipts relating to Home Office Services, and 50% of other Capital Receipts, were set aside or "reserved" as a provision for credit liabilities, this primarily being for the redemption of debt. However, the County Council has decided to retain this policy on a voluntary basis. Since, 2001-02, the amounts set aside at the year-end have been held in this reserve instead of being used for the redemption of debt. As agreed by the former DTLR, this balance will be used during the following year to fund part of the shortfall in the Wiltshire Pension Fund.

Balance 1 Apr 02 £000		Receipts £000	Applied £000	Balance 31 Mar 03 £000
2,062	Environmental Services	3,394	3,040	2,416
2,978	Children, Education and Libraries	4,650	4,425	3,203
814	Corporate and Central Services	682	518	978
40	Adult and Community Services	25	50	15
5,894		8,751	8,033	6,612

16. Earmarked Reserves

16.1. Movement in Reserve Account Balances

Balance 1 Apr 02 £000		Transfer to / from Revenue £000	Balance 31 Mar 03 £000
1,169	Capital Reserve (see below)	1,440	2,609
3,516	Insurance Reserve (see below)	116	3,632
10,401	Locally Managed Schools' Balances	1,648	12,049
13	Printing Accrued Surplus	13	26
14	Corporate Services Department	103	117
82	Finance Department	249	331
268	Environmental Services Department	-44	224
2	Home Office Services Underspending	6	8
13	Chief Executive	0	13
1,385	PFI Reserve	1,407	2,792
67	Invest to Save Fund	168	235
9	Gypsy Recovery	-5	4
50	Wiltshre Direct Services Residual Costs	-26	24
230	Catering Pool	-230	0
185	Free School Meals	-11	174
322	Sickness Insurance Scheme	95	417
17,726		4,929	22,655
430	Pooled Budget established under Mental Health Act 1999	-401	29
18,156		4,528	22,684

16.2. Capital Reserve

The Capital Reserve has been established to finance future capital expenditure of the County Council, contributions being paid into the reserve from revenue.

Balance 1 Apr 02 £000		Income £000	Applied £000	Balance 31 Mar 03 £000
4,333	Reserve balance 1 April			1,169
213	Contribution from Revenue	1,440	0	1,440
-3,377	Capital Financing	0	0	0
1,169		1,440	0	2,609

16.3. Insurance Reserve and Self Insurance Account

The County Council has established a Self-Insurance Account, effective from 1 April 1994, in which premiums and expenses are paid and income and reimbursements collected. Liability for claims is shared between the Council and outside insurers, with the Council's annual liability being capped. The surplus or deficit on this account is transferred to the Insurance Reserve.

2001-02 £000		2002-03 £000
1,172	Premiums charged to Services	1,223
145	Other contribution from Revenue Account	134
1,317		1,357
	Less	
483	Premiums paid to Insurers	588
	Claims During Year	
312	- Employer's / Public Liability	463
88	- Fire and All Risks	38
23	- Risk Management	23
8	- Other	24
103	- Other expenses	105
300	Surplus / deficit (-) for year	116

The movements in the year on the Insurance Reserve were as follows:

2001-02 £000		2002-03 £000
3,216	Balance on Insurance Reserve at 1 April	3,516
300	Transfer from Self Insurance Account	116
0	Transfer to Revenue Account	0
3,516	Balance at 31 March	3,632

17. Deferred Credit - Swindon Share of Outstanding Debt

Under the terms of the Local Government Reorganisation, no outstanding debt was transferred to Swindon Borough Council. However, Swindon is required to service its share of the outstanding debt at 31 March 1997. The annual contribution from Swindon is based on its share of the credit ceiling at this date. In effect, the County Council has a long-term debtor for this amount and the equity is correspondingly increased by this deferred credit. The debtor and the deferred credit will be written down each year as the contributions are paid.

18. Analysis of Net Assets Employed

The net assets, as shown below, represent the local taxpayers' "equity" in the County Council. The balance is analysed between the County Council and its trading operation, Wiltshire Direct Services.

Balance 1 Apr 02 £000		County Fund £000	Trading Operations £000	Balance 31 Mar 03 £000
97,766	Fixed Asset Restatement Reserve	39	0	97,805
97,666	Capital Financing Reserve	17,406	0	115,072
5,894	Usable Capital Receipts	718	0	6,612
18,156	Earmarked Reserves	4,528	0	22,684
15,836	Deferred Credit	-792	0	15,044
5,325	County Fund Balance	2,150	0	7,475
240,643		24,049	0	264,692

19. Foundation Schools

The School Standards and Framework Act 1998 changed the status of Grant Maintained schools to Foundation Schools maintained by the Local Education Authority. The change for funding purposes took effect from 1 April 1999. Fixed Assets and Long Term Liabilities remain vested in the Governing Bodies of individual Foundation schools and therefore values and amounts have not been consolidated in this Balance Sheet. In this authority's area there are 23 Foundation schools.

The Statement of Total Movements in Reserves

The Statement of Total Movements in Reserves brings together all the recognised gains and losses of the County Council during the financial year, including those which are not reflected in the Consolidated Revenue Account. Distinction is made between revenue and capital reserves.

	Capital Reserves			Revenue Reserves		
	Fixed Asset Restatement Reserve £000	Capital Financing Reserve £000	Usable Capital Receipts £000	County Fund £000	Earmarked Reserves £000	Total £000
Balance at 1 April 02	97,766	97,666	5,894	5,325	18,156	224,807
Net Surplus/Deficit(-)	0	9,473	0	2,150	4,528	16,151
Unrealised gain/loss on asset revaluations	2,337	0	0	0	0	2,337
Impairment losses on fixed assets arising from revaluation	0	0	0	0	0	0
Disposals of Fixed Assets						
Value of Assets Disposed of	-2,298	0	0	0	0	-2,298
Proceeds of Disposals		0	8,651	0	0	8,651
Financing of Fixed Assets	0	7,933	-7,933	0	0	0
Balance at 31 March 03	97,805	115,072	6,612	7,475	22,684	249,648
Deferred Credit						15,044
Total Equity						264,692

The Cash Flow Statement for 2002-03

2001-02 £000		2002-03 £000
	Revenue Activities	
	Cash Outflows	
-199,324	Cash paid to and on behalf of employees	-214,421
-181,271	Other operating costs	-188,584
-380,595		-403,005
	Cash Inflows	
113,178	Disbursements from the Collection Fund	125,093
104,582	Non-domestic rate income	114,739
89,392	Revenue Support Grant	77,480
36,000	Other government grants	36,370
50,760	Cash received for goods and services	70,645
13,317		21,322
	Returns on Investments and Servicing of Finance	
	Cash Outflows	
-4,317	Interest paid	-5,176
	Cash Inflows	
140	Interest received	189
1,839	Contributions from other authorities	1,822
-2,338		-3,165
	Capital Activities	
	Cash Outflows	
-33,027	Purchase of fixed assets	-44,641
	Cash Inflows	
7,086	Sale of fixed assets	8,650
6,165	Capital grants	9,618
-19,776		-26,373
0	Net transfer of cash to(-)/from other authorities	0
-8,797	Net cash outflow before financing	-8,216
	Management of Liquid Resources	
-497	Net Increase/Decrease (-) in Short-term Deposits	-774
-497		-774
	Financing	
	Cash Outflows	
-36,311	Repayment of amounts borrowed	-22,405
	Cash Inflows	
17,000	New loans raised	45,000
33,900	New short term loans	9,267
14,589		31,862
5,295	Increase/Decrease(-) in cash	22,872

Notes to the Cashflow Statement

1. Introduction

The Accounts and Audit regulations require local authorities to produce a statement of source and application of funds. The Cash Flow Statement satisfies this requirement. The statement includes all the County Council's operations, revenue and capital, excluding internal transactions. It thus shows total income and total expenditure, and how the difference between the two was financed.

2. Movement in Cash and Cash Equivalents

Movement 2001-02 £000		Balance 1 Apr 02 £000	Balance 31 Mar 03 £000	Movement 2002-03 £000
1,122	Cash in Hand	12,158	17,010	4,852
-7,827	Cash Overdrawn	-23,574	-23,654	-80
12,000	Investments	16,500	34,600	18,100
5,295		5,084	27,956	22,872

3. Reconciliation of Revenue Cash Movements to the Consolidated Revenue Account

	2002-03 £000
Surplus/Deficit (-) on Revenue Account	2,150
Non-Cash Transactions Reversed Out	
Contributions from reserves	4,929
Capital expenditure financed from revenue	0
Minimum revenue provision for credit liabilities	4,204
Movements in Balance Sheet Items (See Below)	
Movement in long term debtors	111
Movement in debtors	-1,989
Movement in stocks	90
Movement in creditors	8,965
Movement in other balances	0
Movement in provisions and other balances	-303
Items Shown Under Servicing of Finance	
Interest	4,987
Contributions from other authorities	-1,822
Net Cash Inflow from Revenue Activities	21,322

4. Analysis of Balance Sheet Movements

	Long Term Debtors £000	Debtors £000	Stock £000	Creditors £000
Movement in Balance Sheet	903	1,989	90	8,965
Less movements not affecting revenue :-				
Deferred Credit / Capital Creditors	-792			-874
Effect on Revenue	111	1,989	90	8,091

5. Analysis of Government Grants

2001-02 £000		2002-03 £000
	Children, Education and Libraries	
11,438	- Standards Fund (DFEE)	13,743
12,827	- Other Education	2,711
	Environmental Services	
1,789	- Rural Transport Grant	1,714
216	- Civil Defence	199
202	- Other Environmental Services	190
	Corporate and Central Services	
3,290	- Magistrates' Courts	3,491
	Adult and Community Services	
0	- Partnership (DoH)	0
2,013	- Promoting Independence	1,048
776	- Mental Health	782
784	- Quality Protects (Mainstream)	2,230
924	- Early Years	1,136
0	- Preserved Rights	4,051
	- Building Capacity (Cash for Change)	1,575
1,741	- Other Social Services	3,500
36,000		36,370

Trust Funds

The County Council directly administers 15 endowment and trust funds, mostly consisting of relatively small sums of money received from private individuals in order to benefit, for example, the blind. The total Fund balances at 31 March 2003, which are not included in the Balance Sheet, amounted to £4,307,651. These are summarised below:

Balance 1 Apr 02 £000		Income £000	Expenditure £000	Gain/(Loss) on revaluation £000	Balance 31 Mar 03 £000
1,194	Charity of William Llewellen Palmer (to support education in Bradford on Avon)	46	57	-276	907
195	Withy Trust (support for scholars, 'rich in merit poor in pocket')	8	7	-42	154
302	Edwin Young Collection (to maintain a picture gallery in Salisbury)	11	10	-63	240
152	John Creasey Museum (to perpetuate the name of this famous local author)	6	7	-23	128
3,649	William 'Doc' Couch (to support the under privileged, including the disabled)	106	65	-1,020	2,670
198	Other Miscellaneous Funds	50	12	-27	209
5,690		227	158	-1,451	4,308

The value attributable to the William 'Doc' Couch trust fund reported in 2001/02 was £3.682 million, this figure was un-audited. Following the audit this figure was revised to £3.649 million.

Most of the endowment and trust funds are accounted for on a cash basis in accordance with standard accounting policies recommended by the Charity Commission. The only trust fund accounted for on an accruals basis is the William "Doc" Couch trust fund. This is in accordance with Charity Commission requirements for funds of that size.

All trust funds with gross income of more than £10,000 are subject to an independent examination by a firm of Chartered Accountants.

Trust Fund Investments

Market Value 1 Apr 02 £000		Market Value 31 Mar 03 £000
1	Government Fixed Interest	1
92	Equities - direct	79
738	Managed Funds - Bonds	763
4,310	Managed Funds - Equities	2,851
1	Property	0
550	Cash	614
5,690		4,308

It should be noted that during the financial year ended 31 March 2003, poor stock market conditions prevailed and the market value of the funds' investments declined to a low point at the end of March. However as at 30 June 2003 market conditions have improved and the value of investments held was £4.878 million.

The Wiltshire Pension Fund Accounting Policies

Compliance with Recommended Practice

The general principles adopted in compiling the accounts of the Wiltshire Pension Fund are in accordance with the recommendations of the Chartered Institute of Public Finance and Accountancy (CIPFA). They accord with the Code of Practice on Local Authority Accounting, issued in 2000 by CIPFA, and also with the guidance notes issued on the application of the Statements of Standard Accounting Practice (SSAPs) and Financial Reporting Standards (FRSs). Significant points or variations from compliance are detailed below.

Basis of Preparation

The accounts have been prepared on an accruals basis, income and expenditure being accounted for as it is earned or incurred, rather than as it is received and paid. The benefits payable and refunds of contributions, however, have been brought into account on the basis of all valid claims approved during the year. No account is taken of liabilities to pay pensions and other benefits after the year-end. Transfer values, which are those sums paid to, or received from, other pension schemes relating to previous periods of employment, have been brought into account on a cash basis.

Investments

These are shown in the accounts at market value.

Administration Expenses

A proportion of the relevant officers' salaries, salary on-costs and general overheads, have been charged to the Fund on the basis of time spent on fund administration.

Taxation

The Fund is an exempt approved fund under the Finance Act 1970, and as such, is not liable for UK income tax on investment income, nor capital gains tax. As Wiltshire County Council is the administering authority, VAT input tax is recoverable on all expenditure. Income earned from investments in stocks and securities in the USA is exempt from US tax, and is not subject to withholding tax. Most tax deducted from income on European investments is also recoverable.

Foreign Currency Transactions

Foreign currency transactions are accounted for on the basis of the equivalent sterling value of the underlying transactions, by applying the relevant exchange rate ruling at the time. Where overseas securities are acquired with currency either previously purchased directly or accruing from the sale of securities, the sterling book cost of the new security will be based on the exchange rate ruling at the time of the purchase of that security. Any profit or loss arising on currency transactions either realised or unrealised, will be reflected in the balance sheet.

Additional Voluntary Contributions

The accounts of the Fund do not include transactions in respect of additional voluntary contributions (AVCs). These are money purchase arrangements made by individual Scheme members under the umbrella of the Local Government Pension Scheme, to enhance pension benefits. Scheme members over the age of fifty may elect to buy service with their AVC funds, such transactions being included within transfers into the Fund.

Scheme members paid contributions totalling £0.380 million into their AVC funds during the year. At the year-end, the total value of funds invested on behalf of Scheme members totalled £1.995 million, made up as follows:

Equitable Life Assurance Society	£million
- With Profits Fund	1.203
- Unit Linked Managed Fund	0.250
- Building Society Fund	0.076

Clerical Medical Funds	£million
- With Profits Fund	0.060
- Unit Linked Managed Fund	0.213

NPI Funds	£million
- Managed Fund	0.014
- With Profits Fund	0.113
- Global Care Unit Linked Fund	0.028
- Cash Deposit fund	0.038

The Wiltshire Pension Fund

Fund Account

2001-02 £000		2002-03 £000
	CONTRIBUTIONS AND BENEFITS	
	Contributions receivable	
10,938	- from employees	11,687
65,807	- from employers	43,874
6,730	Transfers in	8,503
83,475	Total income	64,064
	Benefits payable	
25,942	- Pensions	27,570
4,141	- Retirement grants	4,064
921	- Death benefits	863
	Payments to and on account of leavers	
6,792	- Transfers out	7,404
308	- Contribution refunds	313
538	Administration expenses	555
41	Other Expenses	0
38,683	Total expenditure	40,769
44,792	Net additions from dealings with members	23,295
	RETURN ON INVESTMENTS	
17,089	Investment income	16,961
-15,114	Change in market value of Investments	-158,024
-1,298	Investment expenses	-1,529
677	Net returns on investments	-142,592
45,469	NET INCREASE IN FUND DURING YEAR	-119,297
620,333	Opening net assets of the Scheme	665,802
665,802	Closing net assets of the Scheme	546,505

Net Asset Statement

1 Apr 02 £000		31 Mar 03 £000
	INVESTMENT ASSETS	
	Quoted securities	
41,783	- UK fixed interest Government bonds	52,193
16,711	- UK fixed interest Corporate bonds	11,940
9,558	- Overseas fixed interest Government bonds	18,491
4,294	- Overseas fixed interest Corporate bonds	4,375
38,633	- UK index linked Government bonds	20,020
879	- UK index linked Corporate bonds	1,360
95	- Overseas index linked Government bonds	4,678
292,255	- UK equities	153,365
148,462	- Overseas equities	90,016
	Managed funds	
13,095	- UK companies	58,021
40,044	- Overseas companies	62,413
11,949	- UK companies fixed interest bonds	0
12,139	- Overseas companies fixed interest bonds	0
14,119	- UK property	42,605
	Cash held on deposit	
18,632	- Banks and financial institutions	23,565
467	- Wiltshire County Council	3,832
663,115	Total of investments held	546,874
	NET CURRENT ASSETS	
7,672	Sundry debtors	4,340
0	Cash in hand	0
-4,985	Less Sundry creditors	-4,709
2,687	Total net current assets	-369
665,802	Total net assets	546,505

These accounts form a summary extract from the Wiltshire Pension Fund Annual Report and Financial Statements publication. This provides information on its activities and a full detailed statement of its accounts. Requests for this report, or any other queries arising from the Wiltshire Pension Fund accounts, should be addressed to the County Treasurer, County Hall, Bythesea Road, Trowbridge, BA14 8JJ