



**Wiltshire
Fire & Rescue
Service**

Statement of Accounts 2014/15



Contents

	Page	Note	Page
Certificate for the Approval of the Statement of Accounts	2	14 Provisions	55
Explanatory Foreword	3	15 Usable Reserves	56
Statement of Significant Accounting Policies	19	16 Unusable Reserves	57
Statement of Responsibilities for the Statement of Accounts	28	17 Operating activities (Cash Flow)	61
Independent Auditor's Report	29	18 Amounts reported for resource allocation decisions	61
<u>The Financial Statements</u>		19 Members' allowances	65
Movement in Reserves Statement	33	20 Officers' remuneration	66
Comprehensive Income and Expenditure Statement	36	21 External Audit costs	67
Balance Sheet	38	22 Grant income	68
Cash Flow Statement	40	23 Related parties	69
<u>Notes to the Financial Statements</u>		24 Capital expenditure and financing	71
1 Critical judgements in applying accounting policies	42	25 Operating leases	72
2 Assumptions made about the future and other sources of estimation uncertainty	42	26 Finance leases	73
3 Material items of income and expense	43	27 Impairment losses	74
4 Events after the Balance Sheet date	43	28 Defined Benefit Pension Schemes	75
5 Transfers to or from earmarked reserves	44	29 Contingent liabilities	85
6 Property, plant and equipment	47	30 Contingent assets	85
7 Intangible assets	50	31 Risks arising from financial instruments	85
8 Financial instruments	51	32 Impact of future Accounting Standards	88
9 Inventories	52	<u>The Firefighters' Pension Fund Accounts</u>	
10 Debtors	53	The Firefighters' Pension Fund Account	89
11 Cash and cash equivalents	53	Net Assets Statement	89
12 Non-current assets held for sale	53	Notes to the Firefighters' Pension Fund Accounts	90
13 Creditors	54	Glossary of Terms	91

Certificate for the Approval of the Statement of Accounts

I confirm that these accounts were approved by the Finance Review and Audit Committee held on 15 September 2015.

Signed on behalf of Wiltshire and Swindon Fire Authority.



Chairman of the Finance Review and Audit Committee
15 September 2015

Explanatory Foreword

1 Introduction

Wiltshire and Swindon Fire Authority provides a fire and rescue service for the geographical area of Wiltshire. This booklet, produced by the Treasurer, contains the Statement of Accounts for the Fire Authority for the year ended 31 March 2015. Publication of these accounts is required under the current Accounts and Audit Regulations, and their form is prescribed by the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 (the Code), published by CIPFA/LASAAC. The information contained in the Statement is of a highly technical nature, and readers may find it useful to refer to the glossary at the end of the booklet.

The Code specifies the principles and practices of accounting required to give a true and fair view of the financial position and transactions of the Fire Authority. It sets out the proper accounting practices required by Section 21(2) of the Local Government Act 2003.

This Foreword provides a guide to the Statements that follow, describing changes in accounting policies and presentation that have occurred since the 2013/14 Statement of Accounts, explaining material items within the Accounts, comparing revenue spending to the budget which was approved for the year, outlining the resources available for capital expenditure and other financial commitments and setting the Accounts into the context of ongoing plans for service delivery.

2 Changes from 2013/14 to 2014/15

The 2014/15 Code has not required any material changes to the format of the Statement of Accounts.

3 Explanation of the Statements

The Statement of Accounts comprises the following elements -

◆ Statement of Accounting Policies

Accounting policies are included for all items that have a significant effect on the amounts included in the financial statements. Examples of such items include the measurement bases used, accruals, financial instruments, leases, overheads, provisions and reserves. All the policies have been reviewed and minor clarifications have been made. The policy for the valuation of property assets has been amended in line with the Code. Note 1 to the Financial Statements sets out the critical judgements that have been made in applying accounting policies.

Explanatory Foreword

◆ Statement of Responsibilities for the Statement of Accounts

This sets out the respective responsibilities of the Fire Authority and the Treasurer in preparing, publishing and approving the Statement of Accounts.

◆ Independent Auditor's Report

The Statement of Accounts is audited by KPMG LLP, whose opinion and certificate are included in this section after the conclusion of the audit.

◆ The Financial Statements

There are four principal financial statements which, taken together, show the results of the stewardship and accountability of elected Members and management for the resources entrusted to them. These results are contained in the information about the Authority's financial position, performance and cash flows. Full information is presented relating to the year of account, 2014/15, with comparative information for the previous year, 2013/14, where required.

◆ Movement in Reserves Statement (MIRS)

This statement shows the movement in the year on the different reserves held by the Authority, analysed between usable and unusable reserves. Usable reserves can be used to fund expenditure or set against the need to raise the Council Tax. Further details about all reserves, and restrictions on their use, are given in notes.

The statement adjusts the deficit on the provision of services calculated on an accounting basis to show the entries required under regulations to get back to the actual deficit for the year and the movement on each reserve. The balances on the principal reserves are shown in the table below. The balance on the General Fund has increased as the Authority spent less on running the Fire and Rescue Service in the year than was raised in resources. The significance of the balance on the Pensions Reserve is explained in paragraph 8 below.

Explanatory Foreword

Movement in Reserves Statement		31 March 2014	31 March 2015
	See Note	£	£
<u>Usable reserves</u>			
General Fund		-2,236,678	-3,084,083
Earmarked Reserves	5	-5,817,213	-5,593,291
Total usable reserves		-8,053,891	-8,677,374
<u>Unusable reserves</u>			
Pensions Reserve	28 & 16c	178,042,000	213,657,000
Reserves for accounting purposes	16	-5,561,905	-6,155,198
Total unusable reserves		172,480,095	207,501,802

◆ Comprehensive Income and Expenditure Statement (CIES)

This statement shows the accounting cost of providing services in the year in accordance with generally accepted accounting practices. The gross expenditure and income on the revenue account is supplemented by amounts in respect of financing and investment activities, gains and losses on the sale or revaluation of assets, pension adjustments, taxation and general grant income. The resulting deficit on the provision of services is taken to the Movement in Reserves Statement to be adjusted back to the actual deficit for the year under statute.

The first part of the CIES analyses the running costs of the Fire and Rescue Service in categories laid down in the Service Reporting Code of Practice. This analysis is reconciled to the management accounting presentation in Note 18.

Comprehensive Income & Expenditure Statement		2013/14	2014/15
	See Note	£	£
<u>Cost of Services</u>			
Fire & Rescue Services		29,232,589	27,280,646
Non-distributed costs	28	60,000	0
Total Cost of Services	18	29,292,589	27,280,646
(Surplus)/Deficit on Provision of Services (in CIES)		8,914,118	7,369,223
Actual (increase)/decrease on the General Fund in the year (in MIRS)		1,452,397	-847,405

Explanatory Foreword

◆ Balance Sheet

The Balance Sheet shows the value at the balance sheet date of the assets, liabilities and reserves of the Authority, with long term and current assets and liabilities shown separately. For this purpose, 'current' generally means within 12 months of the reporting date.

The most significant item in the Balance Sheet is the Pensions Liability, matched by the Pensions Reserve. These amounts are explained in Note 28 and later in this Foreword. The true net worth of the Authority is shown in this table by deducting the Pensions Reserve from the total Reserves. This adjusted figure matches the net assets less the pensions liability.

Balance Sheet	31 March 2014	31 March 2015
	£	£
Long term assets	18,580,027	18,453,680
Current assets less current liabilities	-528,793	413,895
Pensions Liability	-178,042,000	-213,657,000
Other long term liabilities	-4,435,438	-4,035,003
Net (liability)/assets	-164,426,204	-198,824,428
Net worth (Total Reserves)	164,426,204	198,824,428
Net worth excluding Pensions Reserve	-13,615,796	-14,832,572

Explanatory Foreword

◆ Cash Flow Statement

This statement shows the movements in cash and cash equivalents during the year. Cash equivalents are short term liquid investments that are readily convertible to cash. The statement classifies cash flows arising from operating, investing and financing activities. The statement is constructed indirectly by removing from the other statements all accruals and other accounting adjustments, leaving the transactions which involve cash or cash equivalents. The net movement in cash and cash equivalents in the year is reconciled to the movement shown in that item on the Balance Sheet.

Cash Flow Statement	2013/14 £	2014/15 £
Net cash flows arising from -		
Operating activities (transactions on Revenue Account, Grants and Council Tax)	-587,902	-2,077,703
Investing activities (purchase and sale of assets, investments and capital grants)	743,156	590,376
Financing activities (repayment of long-term borrowing)	940,700	776,495
Net (increase)/decrease in cash and cash equivalents	1,095,954	-710,832

◆ Notes to the Financial Statements

The four financial statements are followed by comprehensive notes, whose purposes are to give more details about items shown on the face of the financial statements, to present information required under regulations or by the Code which is not presented elsewhere and to provide further information relevant to an understanding of the accounts. The notes are cross-referenced to the financial statements, the accounting policies and to each other as appropriate. In the notes as in the statements, comparative figures for 2013/14 are shown where required.

◆ The Firefighters' Pension Fund Account and Net Assets Statement

It is unusual for an unfunded pension scheme such as the Firefighters' Scheme to have a fund, as it holds no assets that need to be ring-fenced. Instead the purpose of the Firefighters' Pension Fund is to provide a basis for identifying the balance of cash-based transactions taking place over the year and the arrangements needed to close that balance. The primary objective is to allow the separation of the cost of providing pensions from the cost of running a fire and rescue service. For this reason, the pension fund accounts are shown after the other financial statements. The net cost of the pensions in the year is met by a grant from the Department for Communities and Local Government.

Explanatory Foreword

Firefighters' Pensions Fund Account	2013/14 £	2014/15 £
Income - Contributions from firefighters and the Fire Authority	-2,513,917	-2,652,211
Expenditure - Pensions, commutations and transfers paid to other schemes	4,792,751	4,559,108
Net cost of pensions met by Government Grant	2,278,834	1,906,897

◆ Glossary of Terms

The glossary is provided to aid the reader to an understanding of complex terms which have been used throughout the Statement of Accounts. However, its inclusion is not a requirement of the Code and it is not covered by the statutory requirements for an audit opinion or certification by the Treasurer.

4 Signing and rounding conventions

Throughout the Statement, payments, expenditure and assets are shown as positive figures (debits) and receipts, income, reserves and liabilities as negative figures (credits). All amounts recorded in the accounts are rounded to the nearest whole pound.

5 Comparison of revenue outturn to budgets

Each year, a revenue budget is approved which matches in total the sums which will be raised by Council Tax, Government grants, and planned transfers to or from reserves. During the year of account, virements and budget adjustments are approved within this sum with any change in total budget being matched by a change in transfers to or from reserves. The actual spending on service running costs, interest payable and other operating costs, net of income from charges and contributions, is known as the outturn. The outturn is contained within the Comprehensive Income and Expenditure Statement, but does not match the format of that Statement as required by the Code. A reconciliation is shown in Note 18. The difference between the outturn and the budget is transferred to or from the General Reserve.

In order to demonstrate the Authority's stewardship of public funds, comparisons of the outturn to the budget are shown in the next two tables, starting with comparative figures for 2013/14, then 2014/15, followed by reasons for the most significant variations in 2014/15.

Explanatory Foreword

2013/14	Original Budget £	Approved Budget £	Outturn £	Variation £
Employees	19,279,200	19,720,000	19,574,345	-145,655
Premises	1,303,400	1,315,200	1,342,141	26,941
Transport	720,300	736,800	687,175	-49,625
Supplies and Services	2,189,400	2,680,400	2,572,271	-108,129
Agency and Contracted Out Services	593,300	598,000	470,636	-127,364
Democratic Representation	57,800	57,800	51,939	-5,861
Capital Financing and Leasing	1,566,400	2,330,000	2,294,020	-35,980
Income	-362,500	-844,300	-1,052,137	-207,837
Transfers to (+) or from (-) Reserves	100,000	-1,546,700	-990,793	555,907
Net expenditure	25,447,300	25,047,200	24,949,597	-97,603

2014/15	Original Budget £	Approved Budget £	Outturn £	Variation £
Employees	19,135,100	19,181,500	18,331,821	-849,679
Premises	1,364,800	1,468,200	1,522,462	54,262
Transport	688,800	691,000	705,587	14,587
Supplies and Services	2,276,400	2,316,600	2,273,928	-42,672
Agency and Contracted Out Services	382,400	382,400	287,961	-94,439
Democratic Representation	57,800	57,800	54,987	-2,813
Capital Financing and Leasing	1,498,700	1,498,700	1,442,824	-55,876
Income	-381,100	-702,300	-973,141	-270,841
Transfers to (+) or from (-) Reserves	-218,700	-89,700	161,171	250,871
Net expenditure	24,804,200	24,804,200	23,807,600	-996,600

Explanatory Foreword

Main reasons for variations in 2014/15	Variation from Budget	
	£	£
<u>Employees</u>		
Savings on pay costs for Wholetime and Control employees through active management of vacancies while planning for new duty systems, secondments and other developments	-1,036,000	
Underspending on retained firefighters' pay and allowances	-149,000	
Net over-spending on other employee costs, agency and temporary staff, pension strain costs, injury payments and ill-health retirements	35,000	
New provision for additional pension commutation costs	300,000	
		-850,000
<u>Running expenses</u>		
Savings on operational equipment, fire prevention materials, uniforms and office costs	-134,000	
Higher than anticipated radio and related costs	137,000	
Reduced costs of consultancy, legal and audit work	-74,000	
Sum of variations on budgets for running expenses, leasing and financing charges	-56,000	
		-127,000
<u>Income and transfers to or from reserves</u>		
Additional grants and contributions not included in budget	-142,000	
Additional training and other income, offset by lower interest on investments	-129,000	
Budgetted transfer to General Reserve not needed in year	298,000	
Variations in transfers to and from earmarked reserves	-47,000	
		-20,000
		-997,000

Explanatory Foreword

6 Material assets acquired or liabilities incurred

Notes 6 and 7 show movements on property, plant and equipment and intangible assets by way of capital expenditure, depreciation, amortisation, revaluations and disposals. Additions to these assets are also set out in Note 24, which shows how the additions were financed in the year. The table below shows the amounts added to asset values through capital expenditure.

Capital expenditure in the year	See Note	2013/14 £	2014/15 £
Enhancements to existing buildings		1,055,456	465,263
National Fire Control Services Partnership ICT systems		0	240,990
Other ICT systems and communications equipment		345,762	174,870
Thermal imaging cameras		13,550	140,330
Other equipment		318,777	7,592
Vehicles		961,661	349,571
Property, plant and equipment	6	2,695,206	1,378,616
Software licences (intangible assets)	7	32,074	11,278
Total capital expenditure	24	2,727,280	1,389,894

7 Material or unusual charges or credits

The Cost of Services includes a total of £1,429,650 for depreciation charged on property, plant and equipment assets and the amortisation of intangible assets (£1,484,859 in 2013/14) shown in Notes 6 and 7. These entries are taken out of the General Fund in the Movement in Reserves Statement.

Capital Grants amounting to £868,558 were recorded as income in the Comprehensive Income and Expenditure Statement (£868,558 in 2013/14). These were used to finance capital expenditure in the year, so were transferred out to the Balance Sheet by way of the Movement in Reserves Statement. All grants are listed in Note 22.

Explanatory Foreword

The other material items included in the Comprehensive Income and Expenditure Statement are those concerned with the notional entries that are required for pensions. These are set out and explained in Note 28. All the pensions entries that contribute to the Surplus or Deficit on the Provision of Services are reversed in the Movement in Reserves Statement. The cost in the year of employers' contributions to the various pension schemes and payments to pensioners not covered by the Government Grant is then added back (£2,635,819 in 2014/15; £2,999,499 in 2013/14).

Two material items of expenditure shown in the Movement in Reserves Statement are a charge to the General Fund - the Minimum Revenue Provision (MRP) for repayment of debt (£691,607 in 2014/15; £657,360 in 2013/14) and capital expenditure financed from the revenue account (£272,099 in 2014/15; £763,605 in 2013/14). Direct revenue financing of capital was covered by transfers from earmarked reserves as shown in Note 5, but the MRP has to be included in the revenue budget each year.

8 The Pensions Liability

Reference has already been made to the Pensions Liability and Reserve, which have a significant impact on the Balance Sheet of the Authority. The balance was £213,657,000 at 31 March 2015, an increase of £35,615,000 since the start of the year. All the figures for pensions, except the actual contributions made by employees and the Authority, are calculated or estimated by the Actuary, who interprets the requirements of IAS 19 and other relevant accounting provisions.

Details of the transactions for pensions are set out and explained in Note 28, which also describes the nature and benefits of the three schemes to which the Authority contributes - the Firefighters' Pension Scheme (FPS), the New Firefighters' Pension Scheme (NFPS) and the Local Government Pension Scheme (LGPS), administered locally as the Wiltshire Council Fund. The FPS and the NFPS are separate schemes, but their transactions are aggregated in the Accounts.

The sum shown as the Pensions Liability represents the underlying commitment that the Authority has in the long run to pay post employment (retirement) benefits. As such, it appears in the Balance Sheet as a long term creditor. Each year, the amount of future benefits earned by current members of the schemes (the "current service cost") is charged to the Cost of Services in the Comprehensive Income and Expenditure Statement and credited to the Pensions Liability. A "past service cost" may arise if the value of future benefits earned in previous years increases due to changes in pensions policy. There was no past service cost in 2014/15.

The Comprehensive Income and Expenditure Statement is also charged, in the section for "Financing income and expenditure", with net interest on the defined benefit liability. The cost in 2014/15 was £7,669,000 (£7,237,000 in 2013/14). This charge is taken out of the General Fund in the Movement in Reserves Statement.

Explanatory Foreword

The Comprehensive Income and Expenditure Statement shows, after the surplus or deficit on the provision of services, the "actuarial gains and losses" on pensions assets and liabilities. These are the changes to be made to the value of the liability as a result of the judgements and calculations made by the actuary.

The Authority has appointed a firm of independent actuaries to estimate the value of the liability in relation to the Firefighters' Schemes each year based on membership data, demographic and statistical assumptions and the Code, which uses International Accounting Standard (IAS) 19 "Employee Benefits". Wiltshire Council, as the administering authority, also appoint actuaries to value the Wiltshire Council Pension Fund and the Fire Authority's share of that Fund and liability is separately identified. Both the Fire Authority and Wiltshire Council have appointed Hymans Robertson LLP as actuaries for this purpose.

9 Borrowing and other sources of funds

The Balance Sheet as at 31 March 2015 shows that outstanding debt stands at £4,018,834, of which £370,834 is repayable within a year, (£4,700,667 was outstanding at 31 March 2014, with £681,833 repayable within a year). Additionally, a finance lease has £416,604 to be repaid over the next five years, with £98,457 payable in 2015/16 (£511,266 outstanding at 31 March 2014; £94,662 repaid in 2014/15). Note 24 to the Financial Statements shows that capital spending in 2014/15 was financed by grants, reserves, revenue contributions and an increase in the underlying need to borrow. A favourable cash flow during the year, together with the receipt of grants and the underspending on the revenue account, has meant that it has proved unnecessary to borrow long terms funds during 2013/14 and 2014/15.

The Authority annually approves a Treasury Management Policy, which includes arrangements for borrowing. The current policy is to borrow from the Public Works Loan Board, the temporary money market, bank overdraft and internal balances. Access to leasing markets is also available if market conditions indicate that leasing is worthwhile. There is ready access to the Public Works Loan Board, which is part of HM Treasury, for long term loans, but account is taken of the risks of treasury management, daily cash flows, trends in interest rates, national market conditions and forthcoming maturities, when deciding whether and when to borrow, and for how long. Note 31 shows the incidence of future loan maturities.

It is possible that the Authority may need to borrow in order to finance its ongoing capital programme and debt maturities in 2015/16. The Treasury Management Policy lays down an overall limit of external borrowing at any time, including overdrafts, in accordance with CIPFA's Prudential Code. This limit is £7,739,000 in 2015/16 (£7,961,000 in 2014/15) including finance leases.

Explanatory Foreword

10 Provisions, contingencies and write-offs

When it is known that payments will have to be made, but the date of payment is not certain, the Authority is able to charge the amount to the Comprehensive Income and Expenditure Statement in the year and credit a provision in the Balance Sheet. When the payment is made, it is set against the provision, and the revenue account is only charged if the provision proves insufficient. If no reliable estimate of the payment can be made, then there is a contingent liability. The revenue account then has to be charged in the year of payment, even if the liability related to an event in a past year. Contingent assets and liabilities are not shown in the Balance Sheet, as no amount can be calculated, but they are described in Notes 29 and 30. No contingent assets or liabilities have been recognised at 31 March 2015.

The Balance Sheet at 31 March 2015 contains four provisions. These are set out in Note 14.

The Provision for Part Time Workers (Compensation Payments) was originally set up in 2009/10 after legal cases established that part time firefighters should not be treated less favourably than their whole time colleagues. £17,718 remains in this provision at 31 March 2015. This is estimated to be sufficient to meet remaining claims for compensation.

In 2013/14, it became necessary to make a provision for £459,373 in respect of ill health pensions wrongly claimed from the Government. It is expected that this sum will be reclaimed during 2015/16.

As part of the revised arrangements for non-domestic rates starting on 1 April 2013, the Fire Authority shows in the Balance Sheet an allocated 1% share of the provisions made by the billing authorities for appeals against rating valuations. These are as notified by the billing authorities and amounted to £110,248 at 31 March 2015 (£68,982 at 31 March 2014).

During 2014/15, the Pensions Ombudsman made a determination that the Firefighters' Pension Schemes had failed to take account of revisions to commutation factors between 2001 and 2004. Although the costs of the Firefighters' Pension Schemes are normally reimbursed by the Government, it is expected that some costs will be met by the Authority. A provision of £300,000 has been made, based on possible claims by about thirty pensioners who retired in the appropriate period.

There were no material write-offs of debts during the year. The Authority includes within debtors on the Balance Sheet its share of Council Tax and Non-Domestic Rates arrears, net of a provision for bad debts, as notified by the billing authorities. Those authorities do not provide information about sums written off against these provisions.

Explanatory Foreword

Bad Debt Provisions	31 March 2014	31 March 2015
	£	£
Council Tax	-456,944	-501,430
Non-Domestic Rates	-21,618	-21,123
Total	-478,562	-522,553

11 Material events after the reporting date

Post balance sheet events occur between the balance sheet date (31 March) and the date on which the accounts are authorised for issue. These may be adjusting events - i.e. the figures recorded in the accounts must be changed, or non-adjusting events, for which there must be a note to the financial statements, but no actual change to the figures. Under the Code, adjusting events do not require a note, but material events would generally have to be explained. The existence of post balance sheet events is reviewed each time the Statement is published, both before and after audit.

No material events were identified before the Statement was approved on 15 September 2015.

12 Future developments and the impact of the current financial restraints on the Authority

The Authority approved the Revenue Budget and Capital Programme and set the Council Tax for 2015/16 in February 2015. Council Tax was increased by 1.98%, from £63.62 to £64.88 per Band D equivalent (1.99% in 2014/15). For the second year, the Authority declined to accept the Government Grant offered to cover part of the cost of freezing the Council Tax.

During 2014/15, the Authority continued to work towards a combination with the Dorset Fire Authority with a view to maintaining the provision of an efficient and effective service across both counties as Government grants and other sources of income reduce. The Combination Order was laid before Parliament by the Secretary of State for Communities and Local Government in March 2015.

Explanatory Foreword

Revenue Budget	2014/15 Outturn £	2015/16 Budget £
Employees	18,331,821	19,382,000
Premises	1,522,462	1,460,800
Transport	705,587	721,600
Supplies and Services	2,273,928	2,552,200
Agency and Contracted Out Services	287,961	428,400
Democratic Representation	54,987	62,900
Capital Financing and Leasing	1,442,824	1,289,600
Gross expenditure	24,619,570	25,897,500
Income	-973,141	-933,300
Transfers to (+) or from (-) Reserves (including General Fund)	1,157,771	-357,300
Net expenditure	24,804,200	24,606,900
Financed by		
Government Grants	-5,530,400	-4,598,200
Baseline Funding Level (NNDR income and Top Up Grant)	-4,218,400	-4,265,000
Council Tax and Collection Fund surplus	-15,055,400	-15,743,700

Explanatory Foreword

Capital Programme	2014/15 Outturn £	2015/16 Programme £
Enhancements to existing buildings and other major capital works	449,874	601,000
Safety Centre and Strategic Hub	0	4,485,300
ICT systems, software and communications equipment	427,139	1,796,200
General equipment	163,310	50,000
Fire appliances and aerial appliance	0	1,446,000
Other vehicles	349,571	720,000
Total capital expenditure	1,389,894	9,098,500
Financed by		
Capital Grants	868,558	5,561,500
Revenue financing (matched by Reserves)	272,099	556,000
Borrowing	249,237	2,981,000

The Medium Term Financial Strategy for the years 2014 to 2019 was approved by the Authority in February 2014 and updated in the Budget Report in February 2015. The fundamental objectives of the strategy are:-

- ◆ to ensure that the Authority has sufficient resources to deliver against its priorities;
- ◆ to enable spending plans to be aligned to core priorities;
- ◆ to deliver value for money, efficiency and improvement;
- ◆ to provide a longer term financial plan to provide stability for future budget proposals;
- ◆ to maintain an adequate level of reserves and balances in line with the risk strategy; and
- ◆ to improve financial management.

Explanatory Foreword

The current financial context of the Authority is set by the funding outcomes from the Government's spending reviews, the most recent being SR13, announced by the Chancellor in June 2013. The level of government grant funding for Wiltshire reduced from £6.4 million in 2013/14 to £4.6 million in 2015/16, and it is expected to reduce further in the years to 2019/20. Future funding settlements will be influenced by many factors including the policies of the newly elected Government, the next Comprehensive Spending Review and decisions to be made on transforming fire services and acting on opportunities identified in the Knight Review.

The conclusion drawn from the analyses in the strategy is that there will be significant financial challenges to the Service over the next four to five years. If forecast annual deficits on the revenue account continue to be met from accumulated reserves without further changes in the structure of spending or funding, then it is expected that the General Reserve could be fully used in the near future. As a result, the Authority is taking steps to identify ways to bridge the funding gap and ensure future financial resilience and sustainability, including combining with Dorset Fire Authority.

13 Further information

Publications which cover the Authority's budgeting, performance and operational activity are available on the Service's website www.wiltshire.gov.uk. Copies may also be obtained from Wiltshire and Swindon Fire Authority, Fire & Rescue Service Headquarters, Manor House, Potterne, Devizes, Wiltshire, SN10 5PP. The Annual Governance Statement and papers referred to in this Foreword as approved by the Authority can also be accessed in the same way.



Phil Chow
Treasurer

Statement of Significant Accounting Policies

1 General principles

The general principles adopted in compiling the accounts of the Fire Authority are in accordance with the recommendations of the Chartered Institute of Public Finance and Accountancy (CIPFA). They are contained in the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 (the Code), which is based on International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS). This Code constitutes a 'proper accounting practice' under the terms of section 21(2) of the Local Government Act 2003.

The accounting policies specified in this Statement are the principles, bases, conventions, rules and practices applied by the Authority in preparing and presenting the financial statements. When accounting policies are changed, they are applied retrospectively, unless the Code requires transitional arrangements to be followed. Where retrospective adjustments are made, the comparative figures shown are restated as if the new policy had always been applied, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change.

2 Measurement bases

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognised and carried in the Balance Sheet and Comprehensive Income and Expenditure Statement. Accounts are maintained on an historic cost basis, but elements are included in the statements at fair value, which is defined in the Code as the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

For land and buildings, whether purchased outright or financed by leasing, fair value is the amount that would be paid for the asset in its existing use. For intangible assets, assets held for sale and financial instruments, the fair value is defined more specifically as detailed in the relevant accounting policies.

3 Accruals

The accounts of the Fire Authority are maintained on an income and expenditure basis, such that amounts relating to the year of account, but due to be paid or received after the end of the year, are included as creditors or debtors, known collectively as accruals. Where actual amounts are not known at the end of April, estimated amounts are included. If it is necessary to make significant judgements in estimating accruals, these are recorded in Note 2 to the Financial Statements.

Statement of Significant Accounting Policies

4 Cash and cash equivalents

Cash comprises notes and coins, and bank accounts that are payable on demand. Cash equivalents are short term, highly liquid investments that are readily convertible to cash and which are subject to an insignificant risk of changes in value. Although the Code does not define short term, an investment with a maturity of more than three months would fall outside this definition. Where bank accounts are overdrawn, these are included on the basis that they are an integral part of the Authority's cash management. Cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment purposes.

The Authority invests its working cash balances in banks and building societies in the short term money market in accordance with its Treasury Management Policy and Annual Investment Strategy. All investments made have a maturity date less than 365 days and either fall within the definition of cash equivalents or are counted as short term investments.

5 Contingent assets and liabilities

Contingent assets are possible assets that may arise from past events whose existence will be confirmed by the occurrence of events not wholly within the Authority's control. These are not recognised in the accounts because prudence cautions that the potential gains may not come to fruition.

Contingent liabilities are obligations arising from past events that may require future payment or transfer of economic benefit. These are not shown in the accounts as no reliable estimate can be made of their effect, but reserves may be earmarked to contribute to possible costs. Once liabilities can be measured accurately, provisions may be established in the accounts in order to charge expenditure to revenue in the appropriate year.

Both contingent assets and liabilities are detailed as memorandum items in the Notes to the Financial Statements.

6 Employee benefits

Short term employee benefits such as salaries, National Insurance contributions and benefits in kind are recognised as an expense in the year of account. The cost of annual leave earned before the end of the year but not used is accrued. However, this accrual is not a valid expense for Council Tax, so it is reversed out in the Movement in Reserves Statement and charged to the 'Short term accumulating compensated absences account', which is included in the unusable reserves in the Balance Sheet.

Long-term benefits such as the injury pensions payable to firefighters are included in the pensions amounts calculated by the Authority's actuaries.

Statement of Significant Accounting Policies

7 Events after the Balance Sheet date

Events after the reporting period are those events, whether favourable or otherwise, that occur between the balance sheet date and the date on which the financial statements are authorised for issue. Those events that provide evidence of conditions that existed at the balance sheet date are adjusting events, and the Statement will be adjusted to account for material amounts that result from those events. Events which only give an indication of conditions that arose after the reporting period are non-adjusting events, and the Statement will not be adjusted for these, although they will be described in Note 4.

Events after the reporting period are reconsidered at each date that the Statement is authorised for issue - i.e before and after audit, and at the time that the Treasurer re-certifies that the accounts give a true and fair view of the Authority's financial position and performance. The relevant dates will be disclosed in Note 4.

8 Exceptional items and prior period adjustments

When items of income or expense are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement, or in Notes. Prior period adjustments result from of a change in accounting policy or correction of a material error. Changes in accounting estimates are accounted for in the current year and do not give rise to a prior period adjustment.

9 Financial instruments

The Authority invests its surplus cash balances in the short term money market, which may fall within the definition of 'cash equivalents' as described above. The Code defines a financial asset as current when the Authority expects to realise it within 12 months after the reporting period, or the asset is cash or a cash equivalent. Current financial assets also include trade receivables (debtors). All financial assets are initially measured at fair value and carried at amortised cost, but in the case of financial assets held by the Authority, amortised cost means the outstanding principal, plus interest accrued at the balance sheet date.

Financial liabilities (long term loans) are initially measured at fair value and carried at their amortised cost. Annual charges to revenue for interest payable are based on the carrying amount multiplied by the effective rate of interest. The Authority has borrowed solely from the Public Works Loan Board (PWLB). As they do not have significant transaction costs or complicated interest structures, all PWLB loans are recognised in the Balance Sheet at the principal amount when the loan is taken out. Amortised cost is the outstanding principal, whether the repayment is by maturity, annuity or equal instalments of principal. Loans repayable within a year are shown under current liabilities. Interest costs are charged to the Comprehensive Income and Expenditure Statement.

Statement of Significant Accounting Policies

10 Foreign currency

Foreign currency transactions are accounted for on the basis of the equivalent sterling value of the underlying transaction by applying the relevant exchange rate at the time.

11 Government grants and contributions

Government grants and third party contributions are recognised in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition which has not yet been satisfied. They are accounted for on an accruals basis once there is reasonable assurance that any conditions will be complied with and that the sums will be received.

Capital and Revenue Grants with outstanding unfulfilled conditions are held in the Balance Sheet as receipts in advance. Once conditions are met, these grants are transferred to the Comprehensive Income and Expenditure Statement. If related expenditure has not been incurred by the end of the year, the grants are taken forward in the Unused Grants Account as usable reserves (Note 5). Once related capital expenditure has been incurred the sums are finally transferred to the Capital Adjustment Account to reflect the application of capital resources to finance capital expenditure. Unapplied grants for revenue purposes are transferred back to the Comprehensive Income and Expenditure Statement as relevant expenditure is incurred in later years.

12 Intangible assets

Assets that do not have physical substance, but which are identifiable and controlled by the Authority, such as software licences, are recognised as intangible assets at their historic cost, which may include expenditure required to bring the asset into use. They are amortised to revenue on a straight line basis over their expected useful lives, as advised by ICT staff or other relevant officers. Software that forms an integral part of a computer system which is purchased at the same time is not counted as a separate asset, but included as an equipment asset in property, plant and equipment and depreciated appropriately.

13 Inventories

Inventories are measured at the lower of cost and net realisable value. An average or standard cost is applied to calculate the value.

Statement of Significant Accounting Policies

14 Operating leases

The Authority has used operating leases as an alternative to borrowing to obtain the use of some vehicles and equipment. Agreements to rent some premises over a period of time are also classified as operating leases. Annual leasing costs are charged directly to the Comprehensive Income and Expenditure Statement, and there is no value for these assets in the Balance Sheet.

15 Finance leases

Vehicles held under finance leases are included as property, plant and equipment in the Balance Sheet and depreciated in the same manner as other assets, except that the lease term is used when this is shorter than the expected life of the vehicle as advised by the Fleet Engineer. The assets are matched by a long term liability to pay future rentals. The annual rental is divided into a reduction of that liability in the Balance Sheet and a financing charge, which is included in the Comprehensive Income and Expenditure Statement.

As the expenditure on the assets increases the Capital Financing Requirement, this is written down each year by a sum equal to the reduction in the liability. This is recorded in the Movement in Reserves Statement as a transfer between the General Fund and unusable reserves. As a result of this transaction, the cost to the General Fund in the year is the same for a finance lease as it would be for an operating lease.

16 Non-current assets held for sale

Where property, plant and equipment and intangible assets are surplus to requirements and expected to be sold within a year, they are shown as assets held for sale in current assets. Their fair value is interpreted as the amount that would be paid for the asset in its highest or best use, i.e. market value, and these assets are valued at the lower of the carrying amount and fair value less costs to sell. They are not depreciated or amortised. Assets which are not expected to be sold, but will be scrapped or abandoned, continue to be counted as property, plant and equipment until they are scrapped or abandoned.

If assets held for sale subsequently fail to meet the criteria set out in the Code, they are transferred back to property, plant and equipment, where they may be classified as 'surplus assets'. Any revenue charges resulting from revaluations on reclassification to or from assets held for sale are not proper charges to the General Fund, and are therefore matched by a transfer to the Capital Adjustment Account, recorded in the Movement in Reserves Statement.

Statement of Significant Accounting Policies

17 Overheads

The Cost of Services in the Comprehensive Income and Expenditure Statement includes the net total cost of all services, non-distributed costs and the costs of the Corporate and Democratic Core. Net total cost includes all expenditure and income directly attributable to the service, including depreciation charges, revaluation costs, support services and overheads, which are fully allocated to service divisions.

18 Property, plant and equipment

Valuation, recognition and derecognition

Property, plant and equipment are shown in the Balance Sheet at fair value - the amount that would be paid for the asset in existing use. Where there is no market-based evidence of fair value because of the specialised nature of the asset and it is rarely sold, such as drill towers, the fair value is estimated using a depreciated replacement cost approach.

Donated assets are measured initially at their fair value or depreciated historic cost as appropriate for the class of asset, subject to the advice of the Authority's Valuer, Fleet Engineer or other relevant officers. The donation is shown as income in the Comprehensive Income and Expenditure Statement. After recognition in the Balance Sheet, donated assets are subject to the same accounting policies for revaluation, depreciation and derecognition as other classes of property, plant and equipment.

Once an asset has been recognised in the Balance Sheet, expenditure which enhances or replaces part of it is also recognised as adding value to it. Any replaced part is derecognised to avoid double-counting. Material component parts of an asset may be separately identified and valued, subject to a minimum cost of £10,000. Expenditure on repairs and maintenance, which may prolong the life of an asset by maintaining it in good condition, is charged to the Comprehensive Income and Expenditure Statement and not added to the value of the asset.

Non-property assets, such as vehicles and equipment, are valued on a depreciated historical cost basis, as a proxy for fair value.

It is the Authority's policy to employ professional valuers to revalue land and buildings every five years. The Code requires revaluations to be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. As the involvement of the Valuer incurs cost, and the Code expects all properties to be revalued at any one time, the Authority would only revalue more often than every five years in exceptional circumstances. It is recognised that the carrying amount may vary from fair value between valuations. The last full valuation was undertaken as at 31 March 2014.

Increases in value are matched by credits in the Revaluation Reserve to recognise unrealised gains. Gains on individual assets are credited to the Comprehensive Income and Expenditure Statement when they reverse impairment or revaluation losses previously charged there.

Statement of Significant Accounting Policies

Reductions in value specific to individual assets and resulting from a known, identifiable cause, are classed as impairments. Those resulting from conditions not specific to one asset, such as a general and significant decline in the property market, or which cannot be ascribed to a particular cause, are recognised as revaluation losses. In each case, losses are charged to the Revaluation Reserve up to the value held there for individual assets and thereafter to the Comprehensive Income and Expenditure Statement, where they are matched by a transfer to the Capital Adjustment Account.

When an asset is derecognised for any reason, a gain or loss is calculated and charged to the Comprehensive Income and Expenditure Statement, where it is matched by a transfer to the Capital Adjustment Account.

Depreciation

All assets except land are depreciated over their expected useful lives. Land is excluded because it is deemed to have an unlimited useful life. Depreciation ceases if an asset is reclassified as held for sale or otherwise derecognised. Accumulated depreciation is written out on revaluation of an asset. The sum to be depreciated is the fair value less the residual value. Residual values are based on prices current at the balance sheet date. Residual values, estimated lives and depreciation methods are reviewed annually, and any changes are a change in accounting estimates, not policies. The monetary effect of these changes is recorded in Notes 6 and 7.

The estimated useful lives vary in length, with buildings generally being depreciated over 60 years and vehicles over 5 to 15 years. Where experience has shown that assets may last for a longer or shorter period, other estimated lives may be used, following advice from the valuers or officers in the ICT and other departments. Components of an asset may be depreciated over different estimated useful lives.

19 Provisions

A provision relates to a liability, or loss, that is likely to be incurred but where there is uncertainty as to the size and timing of the liability. Its purpose must be specific and it is charged to the Comprehensive Income and Expenditure Statement, where the expenditure would have been incurred. If it becomes clear that a provision, or part of it, is no longer required, then the excess amount is credited back to the Comprehensive Income and Expenditure Statement. If no reliable estimate can be made, then no provision is recognised and the liability is shown as a contingent liability.

Statement of Significant Accounting Policies

20 Reserves

The Authority holds reserves to guard against unforeseen and unbudgeted expenditure. These usable reserves include the General Fund, unused grants and a number of reserves which have been earmarked for specific purposes. Details of individual earmarked reserves are shown in Note 5 to the Financial Statements. When expenditure is incurred which is to be financed from a reserve it is charged to the Comprehensive Income and Expenditure Statement and matched by a transfer shown in the Movement in Reserves Statement. This ensures that there is no net charge to Council Tax for that expenditure in the year.

Some reserves are kept to manage accounting processes, mainly for property, plant and equipment, and for retirement benefits. These do not represent usable resources for the Authority. They are shown as Unusable Reserves in the Balance Sheet and the Movement in Reserves Statement. Transactions in the year and further explanations are set out in Note 16 to the Financial Statements.

21 Value Added Tax (VAT)

The Authority is able to reclaim input VAT on nearly all of its purchases and must pay over output VAT to Her Majesty's Revenue and Customs (HMRC) monthly. The balance owing to or from HMRC is included in creditors or debtors at the year end as appropriate. VAT is not included on any transactions in the financial statements, except to the extent that it is not reclaimable.

22 Pensions

The Firefighters' Pension Schemes are defined benefit, unfunded schemes. Accounting arrangements are in accordance with IAS 19 "Employee Benefits". The accounts of the Pension Fund are shown at the end of the Statement of Accounts, as they are separate from the Authority's main financial statements. The Pension Fund makes payments to pensioners and receives contributions from current employees and the Authority as employer. Any annual deficit or surplus on the Fund is due from or paid to the Government.

The Authority also maintains an earmarked reserve to meet the costs of ill-health retirements and injury compensation payments which are unpredictable and not included in the reimbursement from the Government.

Non-uniformed staff, and some uniformed officers, are eligible for membership of the Wiltshire Pension Fund administered by Wiltshire Council. The accounts of this Fund, which is a Local Government Pension Scheme, are published by Wiltshire Council. The pension costs that are charged to the Authority are the employers' contributions paid to the funded pension scheme for employees who are members of the scheme, costs arising in respect of certain pensions paid to retired employees on an unfunded basis and some past service costs. Contributions to the fund are determined on the basis of rates set to meet the liabilities of the Pension Fund, in accordance with relevant Government Regulations. The amounts shown in the Authority's accounts for this scheme are those required by IAS 19.

Statement of Significant Accounting Policies

The Authority pays a firm of independent actuaries to value the pension liabilities in the Firefighters' schemes and to provide all relevant pension disclosures included in the Statement of Accounts. The actuaries also provide disclosures relevant to the Authority's participation in the Local Government Pension Scheme.

23 Council Tax and Non-Domestic Rates

Under statute, the Authority issues precepts to Wiltshire Council and Swindon Borough Council (the billing authorities), which collect Council Tax on the Authority's behalf and pay it into a Collection Fund. The precept is received in instalments during the year, adjusted for a share of the Collection Fund surplus or deficit, which demonstrates the billing authorities' effectiveness in collecting the Council Tax.

The amount shown for Council Tax income in the Comprehensive Income and Expenditure Statement is the accrued income for the year. The difference between this sum and the adjusted precept is taken to the Collection Fund Adjustment Account which is part of the unusable reserves in the Balance Sheet. A reconciling item is included in the Movement in Reserves Statement.

With effect from 1 April 2013, the Fire Authority receives 1% of the Non-Domestic Rates collected by the billing authorities and a Top-Up Grant from the Government to bring that income up to a Baseline Funding Level allocated to the Fire Authority by the Government. The amount of Non-Domestic Rating Income shown in the Comprehensive Income and Expenditure Statement is the accrued income for the year. The difference between this sum and the amount required by Regulations to be credited to the General Fund is reversed out using the Movement in Reserves Statement, and carried forward in the Collection Fund Adjustment Account.

As the collection of Council Tax and Non-Domestic Rates is seen as an agency arrangement, shares of the cash collected belong to the billing authorities, the Fire Authority and other preceptors. A debtor or creditor is therefore recognised between the billing authorities and the Fire Authority. The figures included in the Statement for Council Tax and Non-Domestic Rates debtors, creditors and adjustments are provided by the billing authorities.

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.
- ◆ manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- ◆ approve the Statement of Accounts.

The Treasurer's responsibilities

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

In preparing this 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 local authority 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.

The Treasurer is required to sign and date the Statement of Accounts, stating that it gives a true and fair view of the financial position of the Authority at the accounting date and of its income and expenditure for the year ended 31 March 2015.



Phil Chow
Treasurer

Independent auditor's report to the Members of Wiltshire and Swindon Fire Authority

We have audited the financial statements of Wiltshire and Swindon Fire Authority for the year ended 31 March 2015 on pages 19 to 27 and 33 to 90. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

This report is made solely to the Members of the Authority, as a body, in accordance with Part II of the Audit Commission Act 1998. Our audit work has been undertaken so that we might state to the Members of the Authority, as a body, those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members of the Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Treasurer and auditor

As explained more fully in the Statement of the Treasurer's Responsibilities, the Treasurer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Treasurer; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Explanatory Foreword to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- ◆ give a true and fair view of the financial position of the Authority as at 31 March 2015 and of the Authority's expenditure and income for the year then ended;
- ◆ have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

Matters on which we are required to report by exception

The Code of Audit Practice 2010 for Local Government Bodies requires us to report to you if:

- ◆ the annual governance statement which accompanies the financial statements does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007; or
- ◆ the information given in the Explanatory Foreword for the financial year for which the financial statements are prepared is not consistent with the financial statements; or
- ◆ any matters have been reported in the public interest under section 8 of the Audit Commission Act 1998 in the course of, or at the conclusion of, the audit; or
- ◆ any recommendations have been made under section 11 of the Audit Commission Act 1998; or
- ◆ any other special powers of the auditor have been exercised under the Audit Commission Act 1998.

We have nothing to report in respect of these matters.

Conclusion on Wiltshire and Swindon Fire Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources

The Authority's responsibilities

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities

We are required under section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in October 2014, as to whether the Authority has proper arrangements for:

- ◆ securing financial resilience; and
- ◆ challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2015.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Authority had put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources.

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2014, we are satisfied that, in all significant respects, Wiltshire and Swindon Fire Authority put in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources for the year ending 31 March 2015.

Certificate

We certify that we have completed the audit of the financial statements of Wiltshire and Swindon Fire Authority in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice 2010 for Local Government Bodies issued by the Audit Commission.



Darren Gilbert

for and on behalf of KPMG LLP, Appointed Auditor

Chartered Accountants
3 Assembly Square,
Britannia Quay,
Cardiff,
CF10 4AX.

29 September 2015

Movement in Reserves Statement 2014/15

This statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The 'Surplus or Deficit on the provision of services' line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement (CIES). This is different from the statutory amounts required to be charged to the General Fund Balance for Council Tax setting purposes. The 'Net increase/decrease before transfers to earmarked reserves' line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Authority.

	General Fund	Earmarked General Fund Reserves	Total Usable Reserves	Unusable Reserves	Total Reserves	See Notes
	£	£	£	£	£	
Balance at 31 March 2013	-3,689,075	-5,258,006	-8,947,081	153,701,916	144,754,835	
Movement in reserves during 2013/14						
Deficit on provision of services	8,914,118	0	8,914,118	0	8,914,118	
<u>Other Comprehensive Income and Expenditure</u>						
Losses on Revaluation charged to Revaluation Reserve	0	0	0	1,251	1,251	
Movement in Pensions Reserve	0	0	0	10,756,000	10,756,000	28
Total Comprehensive Income and Expenditure	8,914,118	0	8,914,118	10,757,251	19,671,369	
Adjustments between accounting basis and funding basis under regulations						
<u>Reversal of items in the CIES</u>						
Depreciation and amortisation	-1,484,859	0	-1,484,859	1,484,859	0	6/7
Impairment and revaluation losses	-1,676,387	0	-1,676,387	1,676,387	0	
Net gain or loss on sale of non-current assets	-44,186	0	-44,186	44,186	0	
Capital grants	868,558	0	868,558	-868,558	0	22
Retirement benefits under IAS19	-12,171,000	0	-12,171,000	12,171,000	0	28
Pensions Top-up Grant	1,893,501	0	1,893,501	-1,893,501	0	28
Council Tax & NNDR income adjustment	-25,407	0	-25,407	25,407	0	16d
Employee benefits accrual adjustment	107,522	0	107,522	-107,522	0	16e

Movement in Reserves Statement 2014/15

	General Fund	Earmarked General Fund Reserves	Total Usable Reserves	Unusable Reserves	Total Reserves	See Notes
	£	£	£	£	£	
Insertion of items not in the CIES						
Minimum Revenue Provision	657,360	0	657,360	-657,360	0	24
Revenue Provision in respect of finance leases	90,866	0	90,866	-90,866	0	24
Employers' contributions to pension schemes and payments to pensioners	2,999,499	0	2,999,499	-2,999,499	0	28
Capital expenditure charged to revenue	763,605	0	763,605	-763,605	0	24
Net (increase)/decrease before transfers to or from earmarked reserves	893,190	0	893,190	18,778,179	19,671,369	
Transfers to or from earmarked reserves	559,207	-559,207	0	0	0	5
(Increase)/decrease in the year	1,452,397	-559,207	893,190	18,778,179	19,671,369	
Balance at 31 March 2014	-2,236,678	-5,817,213	-8,053,891	172,480,095	164,426,204	
Movement in reserves during 2014/15						
Deficit on provision of services	7,369,223		7,369,223		7,369,223	
Other Comprehensive Income and Expenditure						
Movement in Pensions Reserve			0	27,029,000	27,029,000	28
Total Comprehensive Income and Expenditure	7,369,223	0	7,369,223	27,029,000	34,398,223	

Movement in Reserves Statement 2014/15

	General Fund	Earmarked General Fund Reserves	Total Usable Reserves	Unusable Reserves	Total Reserves	See Notes
	£	£	£	£	£	
Adjustments between accounting basis and funding basis under regulations						
<u>Reversal of items in the CIES</u>						
Depreciation and amortisation	-1,429,650		-1,429,650	1,429,650	0	6/7
Net gain or loss on sale of non-current assets	-86,591		-86,591	86,591	0	
Capital grants	868,558		868,558	-868,558	0	22
Retirement benefits under IAS19	-13,134,000		-13,134,000	13,134,000	0	28
Pensions Top-up Grant	1,912,181		1,912,181	-1,912,181	0	28
Council Tax & NNDR income adjustment	137,282		137,282	-137,282	0	16d
Employee benefits accrual adjustment	45,326		45,326	-45,326	0	16e
<u>Insertion of items not in the CIES</u>						
Minimum Revenue Provision	691,607		691,607	-691,607	0	24
Revenue Provision in respect of finance leases	94,662		94,662	-94,662	0	24
Employers' contributions to pension schemes and payments to pensioners	2,635,819		2,635,819	-2,635,819	0	28
Capital expenditure charged to revenue	272,099		272,099	-272,099	0	24
Other adjustments						
Rounding	1		1		1	
Net (increase)/decrease before transfers to or from earmarked reserves	-623,483	0	-623,483	35,021,707	34,398,224	
Transfers to or from earmarked reserves	-223,922	223,922	0	0	0	5
(Increase)/decrease in the year	-847,405	223,922	-623,483	35,021,707	34,398,224	
Balance at 31 March 2015	-3,084,083	-5,593,291	-8,677,374	207,501,802	198,824,428	

Comprehensive Income and Expenditure Statement 2014/15

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2013/14			2014/15			
Gross Expenditure £	Gross Income £	Net Expenditure £		Gross Expenditure £	Gross Income £	Net Expenditure £
			Community Fire Safety			
1,827,255	-78,547	1,748,708	Statutory Inspection, Certification & Enforcement	1,745,381	-102,388	1,642,993
2,403,413	-215,842	2,187,571	Prevention & Education	2,196,662	-243,321	1,953,341
			Firefighting & Rescue Operations			
21,997,760	-234,041	21,763,719	Operational Responses	21,149,989	-543,238	20,606,751
2,937,683	-230,324	2,707,359	Communications & Mobilising	2,414,376	-64,095	2,350,281
240,049	-1,238	238,811	Securing Water Supplies	233,791	-4,654	229,137
			Corporate & Democratic Core			
509,982	-57,237	452,745	Corporate Management	443,993	-22,540	421,453
134,194	-518	133,676	Democratic Representation & Management	77,455	-765	76,690
60,000	0	60,000	Non-distributed Costs (See Note 28)	0	0	0
30,110,336	-817,747	29,292,589	Cost of Services	28,261,647	-981,001	27,280,646
			Other Operating Expenditure			
		16,196	(Gains)/Losses on Disposal of Non-Current Assets			86,591
			Financing & Investment Income & Expenditure			
		255,879	Interest payable & similar charges			216,907
		7,237,000	Net interest on the Defined Benefit Liability			7,669,000
		-22,388	Interest Income			-14,440
		7,470,491	Total			7,871,467

Comprehensive Income and Expenditure Statement 2014/15

2013/14			2014/15			
Gross Expenditure £	Gross Income £	Net Expenditure £		Gross Expenditure £	Gross Income £	Net Expenditure £
			Taxation & Non-specific Grant Income			
		-14,648,832	Council Tax Income			-15,219,064
		-2,289,472	Non-Domestic Rates Income			-2,421,794
		-1,736,370	Non-Domestic Rates Top Up Grant			-1,770,196
		-6,213,654	Revenue Support Grant			-5,530,363
		-159,057	Council Tax Freeze Grant			0
		-55,714	Other non-ringfenced Government Grants			-147,325
		-1,893,501	Pensions Top-up Grant			-1,912,181
		-868,558	Capital Grants & Contributions			-868,558
		-27,865,158	Total			-27,869,481
		8,914,118	(Surplus)/Deficit on Provision of Services			7,369,223
			Other Comprehensive Income & Expenditure			
		1,251	Losses on revaluation charged to Revaluation Reserve			0
		10,756,000	Actuarial (Gains)/Losses on Pensions Assets & Liabilities			27,029,000
		10,757,251	Total			27,029,000
		19,671,369	Total Comprehensive Income & Expenditure			34,398,223

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves comprises those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.



Phil Chow
Treasurer

31 March 2014			31 March 2015		See Notes
£	£		£	£	
	10,016,226	Property, Plant & Equipment		10,322,741	6
	6,370,295	Land & Buildings		5,961,786	
	1,839,109	Vehicles		1,924,913	
	18,225,630	Plant, Furniture & Equipment		18,209,440	
	354,397	Intangible Assets		244,240	7
	18,580,027	Long Term Assets		18,453,680	
154,994		Inventories	160,756		9
1,909,045		Short Term Debtors	1,622,920		10
975,281		Cash & Cash Equivalents	1,686,113		11
1,012		Assets Held for Sale	1,012		12
	3,040,332	Current Assets		3,470,801	

Balance Sheet

31 March 2014			31 March 2015		See Notes
£	£		£	£	
-681,833		Short Term Borrowing	-370,834		8
-2,240,894		Short Term Creditors	-1,700,276		13
-551,736		Provisions	-887,339		14
-94,662		Finance Lease Liabilities	-98,457		26
	-3,569,125	Current Liabilities		-3,056,906	
-416,604		Long Term Creditors - Finance Lease Liabilities	-318,147		26
-4,018,834		Long Term Borrowing	-3,648,000		8
0		Revenue Grants Received in Advance	-68,856		22
-178,042,000		Net Pensions Liability	-213,657,000		28
	-182,477,438	Long Term Liabilities		-217,692,003	
	-164,426,204	Net Assets		-198,824,428	
-2,236,678		General Fund	-3,084,083		5
-5,817,213		Earmarked General Fund Reserves	-5,593,291		
	-8,053,891	Usable Reserves		-8,677,374	
-4,638		Revaluation Reserve	-4,638		16a
-5,508,928		Capital Adjustment Account	-5,919,613		16b
178,042,000		Pensions Reserve	213,657,000		16c
-135,451		Collection Fund Adjustment Account	-272,733		16d
87,112		Short Term Accumulating Compensated Absences Account	41,786		16e
	172,480,095	Unusable Reserves		207,501,802	
	164,426,204	Total Reserves		198,824,428	

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Authority during the reporting period. The Statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

2013/14			2014/15		See Notes
£	£		£	£	
	8,914,118	Net (surplus)/deficit on the provision of services		7,369,223	
		Adjust net (surplus)/deficit on the provision of services for non-cash movements			
-1,369,046		Depreciation	-1,324,270		
-1,675,873		Impairment and downward valuations	0		
-115,813		Amortisation	-105,380		
574,410		(Increase)/decrease in creditors	316,427		
-171,209		Increase/(decrease) in debtors	-354,845		
19,233		Increase/(decrease) in inventories	5,762		
-407,585		(Increase)/decrease in provisions	-294,338		
-7,278,000		(Increase)/decrease in pension liability	-8,586,000		
25,315		Other non-cash items charged to the net surplus or deficit on the provision of services	27,160		
	-10,398,568			-10,315,484	
		Adjust for items included in the net (surplus)/deficit on the provision of services that are investing and financing activities			
	27,990	Proceeds from the sale of property, plant and equipment	0		
	868,558	Capital Grants	868,558	868,558	
	-587,902	Net cash flows from operating activities		-2,077,703	17

Cash Flow Statement

2013/14			2014/15		See Notes
£	£		£	£	
		Investing activities			
2,639,704		Purchase of property, plant, equipment and intangibles	1,458,934		
3,000,000		Purchase of short term investments	1,000,000		
-27,990		Proceeds from sale of property, plant and equipment	0		
-4,000,000		Proceeds from short term investments	-1,000,000		
-868,558		Capital Grants	-868,558		
	743,156	Net cash flows from investing activities		590,376	
		Financing activities			
90,866		Cash payments for the reduction of the outstanding liability relating to a finance lease	94,662		
849,834		Repayments of long term borrowing	681,833		
	940,700	Net cash flows from financing activities		776,495	
	1,095,954	Net (increase)/decrease in cash and cash equivalents		-710,832	
	2,071,235	Cash and cash equivalents at the beginning of the year		975,281	11
	975,281	Cash and cash equivalents at the end of the year		1,686,113	11

Notes to the Financial Statements

1 Critical judgements in applying accounting policies

In applying the policies set out in the Statement of Accounting Policies, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in 2014/15 were -

- ◆ The high degree of uncertainty about future Government support for local government generally and fire services in particular has been noted in the Statements of Accounts since 2010/11. During 2014/15, the Authority consulted widely and decided to seek a combination with Dorset Fire Authority in order to continue to fulfil service obligations in both counties. This combination was approved by the Secretary of State for Communities and Local Government on 2 March 2015. There is no evidence to suggest that assets may be impaired by any consequent change in service provision.
- ◆ The Authority is working with three other Fire Authorities in a Networked Fire Control Services Partnership (NFCSP) project, which will provide a collaborative approach to the provision of fire control services. Each service will retain its own control room but significant benefits are expected to be gained from working together. The judgement has been made that this is a joint operation in that each partner authority uses its own assets and other resources rather than establishing a separate entity with its own financial structure. The effect of this judgement is that there has been no requirement to initiate a regime involving Group Accounts. The full financial effects of the NFCSP are included within the accounts of each partner authority, with any revenue or expenses incurred in common being shared among them under an agreed process. Further details are shown in Note 23.

2 Assumptions made about the future and other sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made based on past experience, current trends and other relevant factors. As some balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Balance Sheet at 31 March 2015 for which there is a significant risk of material adjustment in the forthcoming financial year are set out below. The list does not include items which are carried at fair value based on recently observed market prices, such as land and buildings, for which the Authority relies on independent advice from professional valuers.

- ◆ The Authority has set aside an earmarked reserve (see Note 5) to cover the cost of the pensions access rights of part time firefighters, which have been the subject of on-going legal decisions. It is not known whether the amount set aside in the Balance Sheet will be sufficient to meet the future revenue cost.

Notes to the Financial Statements

- ◆ The actuary has provided an assessment of the effect of changes in the assumptions used in estimating the pensions assets and liabilities included in the Accounts according to the requirements of IAS 19. This is reported in Note 28 g.
- ◆ The earmarked reserves listed in Note 5 include sums set aside to meet the costs of transformational improvements. The additional costs of the combination of Wiltshire and Dorset Fire and Rescue Services will be met from this reserve.
- ◆ The Provisions set out in Note 14 include £300,000 set aside in the year for the estimated cost of additional commutation payments to firefighters who retired between 2001 and 2004. The estimate was based on the best information available at the time the Accounts were compiled, but there remains uncertainty about the number of pensioners involved, the additional sums due and the extent to which the liability will fall on the Fire Authority.

3 Material items of income and expense

The Comprehensive Income and Expenditure Statement shows items according to a prescribed form. The Cost of Services is analysed by type of service in that Statement and by type of expenditure in Note 18, which also provides a reconciliation of the Cost of Services to management information. Some material items are not explicitly shown in either of these places, though they are explained elsewhere in the Statement. For example, income from grants is in Note 22, entries relating to pensions are explained in Note 28 and the financing of capital expenditure is set out in Note 24.

The Cost of Services includes a total of £1,429,650 for depreciation and amortisation charges (£1,484,859 in 2013/14). These charges, which are analysed in Notes 6 and 7, do not fall on the General Fund, as they are transferred to capital reserves in the Movement in Reserves Statement.

4 Events after the Balance Sheet date

Post balance sheet events occur between the balance sheet date (31 March 2015) and the date on which the accounts are authorised for issue. Events which have a material effect on the accounts must be disclosed in a note. No such events have been identified before the accounts were authorised for issue on 15 September 2015.

Notes to the Financial Statements

5 Transfers to and from earmarked reserves

	2013/14			2014/15			See note below	
	Balance 1 Apr 13 £	Transfers out £	Transfers in £	Balance 31 Mar 14 £	Transfers out £	Transfers in £		Balance 31 Mar 15 £
Hydrants	-118,700	0	0	-118,700	0	0	-118,700	A
Ill Health Retirement	-686,372	66,389	0	-619,983	59,196	0	-560,787	B
Insurance	-50,000	0	0	-50,000	0	0	-50,000	C
Unused grants	-2,196,491	568,278	-82,936	-1,711,149	601,910	-80,505	-1,189,744	D
RDS - Impact of PTW Regulations	-500,000	0	-500,000	-1,000,000	0	0	-1,000,000	E
Transformational Improvement	-1,000,000	489,319	-1,000,000	-1,510,681	0	0	-1,510,681	F
Training	-35,000	0	0	-35,000	0	0	-35,000	G
Major Equipment Refresh	-100,000	0	-100,000	-200,000	0	-100,000	-300,000	H
Community Safety Innovation	0	0	-50,000	-50,000	0	0	-50,000	I
Planning Gain	0	0	-21,700	-21,700	0	-107,484	-129,184	J
Combined Control Contingency	0	0	-500,000	-500,000	0	0	-500,000	K
Inland Revenue	0	0	0	0	0	-49,195	-49,195	L
Business Rates Funding Adjustments	0	0	0	0	0	-100,000	-100,000	M
Other 2013/14 Reserves	-571,443	571,443	0	0	0	0	0	
Total	-5,258,006	1,695,429	-2,254,636	-5,817,213	661,106	-437,184	-5,593,291	

This table sets out the amounts set aside from the General Fund balance in earmarked reserves to provide financing for future expenditure plans (transfers in) and the amounts posted back from earmarked reserves to meet General Fund expenditure in the year (transfers out), as shown in summary in the Movement in Reserves Statement. The narrative that follows sets out the purpose of each reserve.

Notes to the Financial Statements

A Hydrants

The Fire Authority contracts with several water companies to carry out works within the County in respect of hydrants. Orders placed are not always acted upon during the period requested and may not be charged in the correct year. As a result of the late billing situation the Authority's liability for these works has become substantial. A reserve was therefore established to meet this expenditure, the balance representing the amount anticipated as owing to the water companies.

B Ill Health Retirement

Since 1 April, 2006, the Authority pays a set employers' contribution on behalf of firefighters in the Pension Scheme. All normal retirement costs are in effect paid by central government, but the cost of ill-health retirements and injury compensation granted is paid locally. In some circumstances, contributions have to be made to the Pension Scheme in three annual instalments. This reserve recognises these specific liabilities, and guards against the unpredictable timing and cost of events of this nature.

C Insurance

During 2006/07, the renegotiation of the Authority's insurance policies resulted in a significant saving on previous years' premiums and a consequent underspending in the insurance budget. This reduction in premiums did, however, rely on the Authority accepting a higher level of risk by increasing the excesses on the policy. The insurance reserve was established from the savings on insurance premiums to support this additional level of risk.

D Unused Grants

Under the Code, revenue grants and contributions are recognised in the Comprehensive Income and Expenditure Statement, provided there are no unfulfilled conditions attached to them. Transfers in to this Reserve represent income received in the year but not yet used to cover expenditure. Transfers out represent income received in previous years and used to cover net expenditure in the current year. An analysis of income received by way of grants, contributions and donations in the year is shown in Note 22.

E Retained Duty System - Impact of Part-Time Workers Regulations Reserve

This reserve was set up from the underspending at the end of 2009/10 to mitigate the effect of the Employment Tribunal's decisions relating to the pensions access rights of retained firefighters. This is in addition to the provision previously established for the compensation payable to those firefighters and referred to in Note 14.

F Transformational Improvement

In view of the plans and projects undertaken within the Strategic Transformation Programme, it was decided to earmark part of the underspending on the revenue account in 2010/11 to assist in the delivery of that Programme. Further funds have been added subsequently in anticipation of additional costs which may be incurred during the lead up to the combination with Dorset Fire Authority. A transfer back to revenue was made in 2013/14 to cover the costs of the voluntary redundancy programme in that year.

Notes to the Financial Statements

G Training

Incidental to the requirements of the Transformation Programme an additional £35,000 of staff development training was identified, for which there was insufficient budget provision in 2012/13. This new reserve was therefore set up to meet those costs. Training has now been deferred to a later date and the reserve will be carried forward for this purpose.

H Major Equipment Refresh

Within the 2012/13 revenue budget a contribution to an equipment reserve was established to which an annual contribution of £100,000 is planned, primarily to smooth over the impact of large scale replacement of equipment.

I Community Safety Innovation

The Authority undertakes a wide range of community safety activities for which annual budgetary provision is made. This reserve was established from the underspending on the 2012/13 budget to allow for urgent initiatives and specific projects to reduce risk through working with vulnerable people.

J Planning Gain

When builders of new housing and commercial developments pay contributions to Councils for infrastructure, a proportion may be passed to the Fire Authority to ensure fire cover is provided at an appropriate level. This income may be placed in this reserve to finance future expenditure, provided there are no conditions attached which may lead to repayment of the contribution. Where such conditions do exist, the income is carried in the balance sheet as Revenue Grants Received in Advance, within long term liabilities.

K Combined Control Contingency

The Authority decided to approve the establishment of this reserve at its meeting in December 2013, as its share of a joint fund with Dorset Fire Authority. The purpose is to enable the setting up of a joint command and control centre with Dorset Fire and Rescue Service, to be located at the Wiltshire Fire and Rescue Service headquarters in Potterne.

L Inland Revenue

This reserve was set up out of the underspending in 2013/14 to cover the potential cost of tax implications with the introduction of the provided cars scheme for officers.

M Business Rates Funding Adjustments

Following the incorporation of Fire Authorities into the business rates funding mechanism for local authorities in 2013/14, evidence showed that actual figures could vary significantly from the estimates made by the billing authorities. This reserve was set up to mitigate the effect of large variations arising from rating appeals and reliefs.

Notes to the Financial Statements

6 Property, plant and equipment

A Movements on balances

2013/14 (Prior year)	Land & Buildings £	Vehicles £	Plant & Equipment £	Total £
<u>Cost or valuation</u>				
At 1 April 2013	11,416,222	8,969,313	4,172,518	24,558,053
Additions	1,055,456	961,661	678,089	2,695,206
Reclassifications to Assets Held for Sale	-2,455,452	-3,611	0	-2,459,063
Reclassifications to Intangible Assets	0	-14,962	0	-14,962
Derecognition due to disposals	0	-643,932	-537,479	-1,181,411
At 31 March 2014	10,016,226	9,268,469	4,313,128	23,597,823
<u>Depreciation and impairment</u>				
At 1 April 2013	-641,500	-2,794,607	-2,506,633	-5,942,740
Depreciation charge for the year	-140,439	-731,610	-496,996	-1,369,045
Reclassifications to Assets Held for Sale	781,939	0	0	781,939
Reclassifications to Intangible Assets	0	13,950	0	13,950
Derecognition due to disposals	0	614,093	529,610	1,143,703
At 31 March 2014	0	-2,898,174	-2,474,019	-5,372,193
<u>Net book value</u>				
At 31 March 2014	10,016,226	6,370,295	1,839,109	18,225,630
At 1 April 2013	10,774,722	6,174,706	1,665,885	18,615,313

Notes to the Financial Statements

2013/14 (Prior year)	Land & Buildings £	Vehicles £	Plant & Equipment £	Total £
<u>Nature of asset holding at 31 March 2014</u>				
Owned	10,016,226	5,879,168	1,839,109	17,734,503
Finance lease	0	491,127	0	491,127
Total	10,016,226	6,370,295	1,839,109	18,225,630

2014/15 (Current year)	Land & Buildings £	Vehicles £	Plant & Equipment £	Total £
<u>Cost or valuation</u>				
At 1 April 2014	10,016,226	9,268,469	4,313,128	23,597,823
Additions	449,874	349,571	579,171	1,378,616
Derecognition due to disposals	0	0	-435,728	-435,728
At 31 March 2015	10,466,100	9,618,040	4,456,571	24,540,711
<u>Depreciation and impairment</u>				
At 1 April 2014	0	-2,898,174	-2,474,019	-5,372,193
Depreciation charge for the year	-143,359	-758,080	-422,831	-1,324,270
Derecognition due to disposals	0	0	365,192	365,192
At 31 March 2015	-143,359	-3,656,254	-2,531,658	-6,331,271

Notes to the Financial Statements

2014/15 (Current year)	Land & Buildings £	Vehicles £	Plant & Equipment £	Total £
<u>Net book value</u>				
At 31 March 2015	10,322,741	5,961,786	1,924,913	18,209,440
At 1 April 2014	10,016,226	6,370,295	1,839,109	18,225,630
<u>Nature of asset holding at 31 March 2015</u>				
Owned	10,322,741	5,557,962	1,924,913	17,805,616
Finance lease	0	403,824	0	403,824
Total	10,322,741	5,961,786	1,924,913	18,209,440

B Effect of changes in estimates

The residual values and estimated lives of all owned vehicles were reviewed in accordance with the Code and in consultation with the Fleet Engineer. There was no change to the residual values of any vehicles during 2014/15.

A similar review for equipment assets showed that the estimated useful lives of four ICT assets and the residual values of five items of other equipment had changed, resulting in an increase of £32,266 in the depreciation charged for equipment.

C Revaluations

Property, plant and equipment are included in the Balance Sheet in accordance with the valuation policies set out in the Statement of Accounting Policies, with the addition of capital expenditure on purchases and improvements during the year.

The last full revaluation of land and buildings was carried out as at 31 March 2014, by the Authority's valuers, BNP Paribas, who are RICS qualified and external to the Authority.

Notes to the Financial Statements

7 Intangible assets

The Authority accounts for its software as intangible assets, to the extent that it is not an integral part of an IT system which is accounted for as part of Property, Plant and Equipment. The value of software may include the costs of bringing into use. All software is given a finite life by ICT staff, based on an assessment of the period that the software is expected to be of use to the Authority. The standard life of software is 10 years, but assets may be amortised over a shorter period if licences have finite lives or greater accuracy is achievable.

Material intangible assets	Year of Purchase	Net Value £	Remaining Life in Years
Firewatch System	2010/11	85,844	5
Redkite Asset Management System	2011/12	24,450	6
Financial Management System - Upgrade	2011/12	39,845	6
Network Development	2012/13	22,276	3

The carrying amount of intangible assets is amortised to revenue on a straight line basis. The annual charge is absorbed as an overhead over service headings in the Cost of Services in the Comprehensive Income and Expenditure Statement, and shown with depreciation in the subjective analysis of revenue expenditure in Note 18.

Movement on Intangible Assets		2014/15		
2013/14 £		Gross Value £	Amortisation £	Net Value £
740,650	Gross carrying amounts at start of year	760,624		760,624
-290,414	Accumulated amortisation at start of year		-406,227	-406,227
450,236				354,397
32,074	Additions	11,278		11,278
0	Derecognition due to disposals	-40,936	24,881	-16,055
-10,890	Reclassification as revenue expenditure	0		0
-117,023	Amortisation for the period written off to revenue		-105,380	-105,380
354,397	Carrying amount at end of year	730,966	-486,726	244,240

Notes to the Financial Statements

8 Financial instruments

The following categories of financial instruments are carried in the Balance Sheet.

31 March 2014			31 March 2015	
Long term £	Current £		Long term £	Current £
		<u>Financial Assets</u>		
0	946,875	Investments (Cash equivalents)	0	1,658,033
0	254,418	Trade debtors	0	378,811
0	1,201,293		0	2,036,844
		<u>Financial Liabilities</u>		
-4,018,834	-681,833	Borrowings at amortised cost (PWLB loans)	-3,648,000	-370,834
-416,604	-94,662	Finance lease liabilities	-318,147	-98,457
0	-1,708,091	Trade creditors	0	-1,328,426
-4,435,438	-2,484,586		-3,966,147	-1,797,717

Interest on investments is included in the Comprehensive Income and Expenditure Statement and added to the principal amount carried in the Balance Sheet. Trade debtors and creditors exclude items such as Government grant debtors and Council Tax arrears and prepayments. They are included within the debtors and creditors which are analysed in Notes 10 and 13. PWLB loans are borrowed from the Public Works Loan Board.

Fair value

Financial instruments are carried in the Balance Sheet at their amortised cost. Their fair values have been assessed by calculating the present values of the cash flows that will take place over the remaining terms of the instruments, using the following assumptions:

- ◆ PWLB loans are discounted at the equivalent rate applicable at 31 March on new loans taken out for the period remaining on each loan;
- ◆ no early repayment or impairment is recognised;
- ◆ where maturity is within 12 months, the carrying amount is assumed to approximate to the fair value;
- ◆ finance leases are discounted at the PWLB rate as for loans;
- ◆ the fair value of debtors and creditors is the invoiced amount;

Notes to the Financial Statements

- ◆ where investments are counted as cash equivalents, their fair value is the same as the carrying amount; and
- ◆ other investments taken out close to the year end and maturing within 12 months have a fair value that is the same as the carrying amount.

31 March 2014			31 March 2015	
PWLB loans	Finance lease		PWLB loans	Finance lease
£	£		£	£
4,971,907	532,402	Fair value	4,405,693	437,172
4,700,667	511,266	Carrying amount	4,018,834	416,604
271,240	21,136		386,859	20,568

The fair value of PWLB loans is higher than the carrying amount because all outstanding loans were taken out at fixed rates higher than those available at the current time. The finance lease was taken out in 2009/10 and valued for inclusion in the Balance Sheet at its discounted present value based on the rate in the lease.

9 Inventories

2013/14					2014/15			
Clothing	Equipment	Fuel	Total		Clothing	Equipment	Fuel	Total
£	£	£	£		£	£	£	£
75,869	39,435	20,457	135,761	Balance at start of year	89,618	47,652	17,724	154,994
102,591	23,875	70,687	197,153	Purchases	90,535	50,256	66,340	207,131
-88,842	-15,658	-73,420	-177,920	Recognised as an expense in the year	-73,432	-55,257	-71,642	-200,331
0	0	0	0	Written off	-660	-378	0	-1,038
89,618	47,652	17,724	154,994	Balance at end of year	106,061	42,273	12,422	160,756

Notes to the Financial Statements

10 Debtors

31 March 2014		31 March 2015
£		£
600,899	Central government bodies	191,084
108,314	Other local authorities	575,960
13,410	NHS bodies	11,746
38,043	Public corporations and trading funds	33,975
1,148,379	Other entities and individuals	810,155
1,909,045	Total debtors (Short term debtors on Balance Sheet)	1,622,920

11 Cash and cash equivalents

31 March 2014		31 March 2015
£		£
2,775	Cash held by the Authority	5,275
1,631	Bank current accounts	2,805
970,875	Call and deposit accounts with banks	1,678,033
975,281	Total cash and cash equivalents	1,686,113

12 Non-current assets held for sale

Items of property, plant and equipment that are surplus to requirements and satisfy the following criteria are classified as held for sale. They are shown as current assets because they are expected to be sold within a year from the balance sheet date.

- Criteria -
- ◆ Assets must be available for sale in their present condition
 - ◆ The sale must be highly probable and planned
 - ◆ Assets must be actively marketed at a reasonable price
 - ◆ The sale is expected to be completed within twelve months.

Notes to the Financial Statements

2013/14 £		2014/15 £
6,992	Balance at 1 April	1,012
1,012	Assets newly classified as held for sale	0
-6,992	Assets sold	0
1,012	Balance at 31 March	1,012

Assets which are surplus but cannot be shown to satisfy the criteria, or which are in use at the start of the year and then sold during the year, remain in property, plant and equipment and are recorded in Note 6.

13 Creditors

31 March 2014 £		31 March 2015 £
-464,538	Central government bodies	-438,455
-498,351	Other local authorities	-181,023
-488	NHS bodies	0
-53,355	Public corporations and trading funds	-26
-1,735,428	Other entities and individuals	-1,497,376
-2,752,160	Total creditors	-2,116,880
	Comprising -	
-416,604	Long term creditors - Finance lease liabilities (see Note 26)	-318,147
-2,240,894	Short term creditors	-1,700,276
-94,662	Finance lease liabilities (see Note 26)	-98,457
-2,752,160		-2,116,880

Notes to the Financial Statements

14 Provisions

Provision for Part-time Workers (Compensation)		£
Balance at 1 April 2014		-23,381
Amounts used in 2014/15		5,663
Balance at 31 March 2015		-17,718

A provision was established in 2009/10 for the initial compensation costs resulting from the Employment Tribunal's consideration of the Part Time Workers (Prevention of Less Favourable Treatment) Regulations 2000 in relation to firefighters working the Retained Duty System. The initial financial impact of this legislation was based on the reference period 1 July 2000 to 30 June 2009, length of service, rank and role, level of cover and anticipated take-up. The first compensation payments were made in 2012/13. An estimate of remaining payments due, including those for the period up to 31 March 2012, was made in 2013/14 and the remaining provision is still considered adequate for outstanding obligations.

Provision for Non-Domestic Rates Appeals	Wiltshire Council	Swindon Borough Council	Total Provision
	£	£	£
Balance at 1 April 2014	-30,798	-38,184	-68,982
Share of Provisions made in 2014/15	-3,758	-37,508	-41,266
Balance at 31 March 2015	-34,556	-75,692	-110,248

As part of the revised arrangements for non-domestic rates starting on 1 April 2013, the Fire Authority shows in the Balance Sheet an allocated 1% share of the provisions made by the billing authorities for appeals against rating valuations.

Notes to the Financial Statements

Provision for Ill Health Pensions Paid 2006-2013		£
Balance at 1 April 2014		-459,373
Balance at 31 March 2015		-459,373

After the end of 2013/14, it was discovered that the Authority had wrongly claimed the cost of some ill-health pension payments from the Firefighters' Pension Fund. The amount which related to years before 2013/14 was £459,373. This amount has been set aside as a Provision as it is expected that the Government will take steps to recover the cost in 2015.

Provision for Additional Firefighter Commutations		£
Provision made during 2014/15		-300,000
Balance at 31 March 2015		-300,000

The Pensions Ombudsman made a determination that the Firefighters' Pension Schemes had failed to take account of revisions to commutation factors between 2001 and 2004. The estimated cost to the Authority for additional pension payments to more than thirty eligible firefighters is in the region of £300,000.

The total provisions (£887,340) are shown in the Balance Sheet as short term liabilities.

15 Usable reserves

Movements on the Authority's usable reserves are set out in the Movement in Reserves Statement, with full details of all earmarked reserves in Note 5. The balances appear in the Balance Sheet after Net Assets.

Notes to the Financial Statements

16 Unusable reserves

Balances on the Authority's unusable reserves are shown in the last part of the Balance Sheet, with transactions summarised in the Movement in Reserves Statement. Full details of those transactions are given here, with further explanation as appropriate.

a Revaluation Reserve

This Reserve contains the unrealised gains arising from increases in the value of individual items of Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- ◆ revalued downwards or impaired, so that the gains are lost,
- ◆ used in the provision of services, so that the gains are consumed through depreciation, or
- ◆ disposed of, so that the gains are realised.

The Revaluation Reserve was created with a nil balance when the recommended practice changed at 1 April 2007. Accumulated gains arising before that date are consolidated into the Capital Adjustment Account.

2013/14 £	Revaluation Reserve	2014/15 £
-24,053	Balance at 1 April	-4,638
1,251	Revaluation of assets	0
18,164	Write out accumulated gains on assets sold or scrapped	0
-4,638	Balance at 31 March	-4,638

Notes to the Financial Statements

b Capital Adjustment Account

This Reserve absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account matches the depreciation and other charges made to the Comprehensive Income and Expenditure Statement (CIES). It is credited with resources set aside to finance capital expenditure from capital grants and the revenue account, including revenue provisions for debt repayment.

2013/14 £	Capital Adjustment Account	2014/15	
		£	£
-6,315,807	Balance at 1 April		-5,508,928
	Reversal of items relating to capital expenditure charged or credited to CIES		
1,369,045	Depreciation of non-current assets	1,324,270	
1,675,873	Revaluation losses on Property, Plant and Equipment	0	
115,813	Amortisation of intangible assets	105,380	
26,537	Amounts of non-current assets written out on sale or disposal	86,591	
3,187,268	Net written out as the cost of non-current assets consumed in the year		1,516,241
	Capital financing applied in the year		
-868,558	Capital Grants credited to CIES and applied to capital financing	-868,558	
-763,605	Capital expenditure charged against the General Fund	-272,099	
-657,360	Statutory provision for debt repayment	-691,607	
-90,866	Revenue provision in respect of finance leases	-94,662	
-2,380,389			-1,926,926
-5,508,928	Balance at 31 March		-5,919,613

Notes to the Financial Statements

c Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement (CIES) as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation and changing assumptions and charging net interest on the defined benefit liability. However, statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or pays any pensions or other benefits for which it is directly responsible.

The debit balance on the Reserve shows a substantial shortfall in the benefits earned by past and current employees and the resources the Authority has set aside to meet them. The statutory arrangements will ensure that funding has been set aside by the time that the benefits come to be paid. Further information about pensions liabilities is given in Note 28.

2013/14 £	Pensions Reserve	2014/15 £
160,008,000	Balance at 1 April	178,042,000
10,756,000	Actuarial gains or losses on pensions assets and liabilities	27,029,000
10,277,499	Reversal of items relating to retirement benefits charged or (credited) to the CIES Deficit on the Provision of Services	11,221,819
-2,999,499	Employer's pension contributions and direct payments to pensioners payable in the year	-2,635,819
178,042,000	Balance at 31 March	213,657,000

d Collection Fund Adjustment Account

The Collection Fund Adjustment Account records the differences arising from the recognition of Council Tax income in the Comprehensive Income and Expenditure Statement (CIES) as it falls due from the Council Taxpayers compared with the statutory arrangements for precepts on the billing authorities' Collection Funds. This reflects the notion that the billing authorities act as agents for the Fire Authority in collecting the Council Tax.

Notes to the Financial Statements

With effect from 1 April 2013, the Account also records the adjustments required to reflect the agency arrangements for the collection of Non-Domestic Rates, as applied to the income shown in the CIES.

2013/14 £	Collection Fund Adjustment Account	2014/15 £
-160,858	Balance at 1 April	-135,451
	Amount by which the income credited to the CIES differs from that calculated for the year in accordance with statutory requirements	
-109,148	Council Tax	-109,417
134,555	Non-Domestic Rates	-27,865
-135,451	Balance at 31 March	-272,733

e Short Term Accumulating Compensated Absences Account

This Reserve absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, i.e. annual leave entitlement and flexitime credits carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from this Account.

2013/14 £	Short Term Accumulating Absences Account	£	2014/15 £
194,634	Balance at 1 April		87,112
-194,634	Settlement or cancellation of accrual made at the end of the preceding year	-87,112	
87,112	Amounts accrued at the end of the current year	41,786	
-107,522	Amount by which officer remuneration charged to the CIES on an accruals basis is different from that chargeable in the year in accordance with statutory requirements		-45,326
87,112	Balance at 31 March		41,786

Notes to the Financial Statements

17 Cash Flow Statement - Operating activities

The net cash flows from operating activities include the following items:

2013/14 £		2014/15 £
-23,402	Interest received	-14,440
233,359	Interest paid	197,929
22,774	Interest paid on finance leases	18,978

18 Amounts reported for resource allocation decisions

a Management information

The analysis of income and expenditure by division and subdivision of service on the face of the Comprehensive Income and Expenditure Statement is that specified by the Service Reporting Code of Practice. However, decisions about resource allocation are taken by the Authority on the basis of budget reports for the service as a whole, prepared on a different basis from the accounting policies used in the Statement of Accounts. In particular:

- ◆ no charges are made for capital expenditure (revenue financing, revaluation losses, etc) or credits for capital grants
- ◆ the cost of retirement benefits is based on payment of employer's contributions rather than the current cost of benefits accrued in the year
- ◆ the minimum revenue provision is included.

Notes to the Financial Statements

b Analysis and reconciliation to the Comprehensive Income and Expenditure Statement

The table below shows the income and expenditure of the Authority in the form presented for management purposes during the year, reconciled to the Cost of Services in the Comprehensive Income and Expenditure Statement (CIES).

2013/14			2014/15	
£	£		£	£
19,574,345		<u>Expenditure</u>		
1,342,141		Employees	18,455,538	
687,175		Premises	1,399,230	
2,572,271		Transport	705,102	
470,636		Supplies & Services	2,273,928	
51,939		Agency & Contracted Out Services	287,961	
2,294,020		Democratic Representation	54,987	
		Capital Financing & Leasing	1,442,824	
	26,992,527			24,619,570
		<u>Income</u>		
-948,443		General income	-811,441	
-22,388		Interest	-14,440	
-81,306		Grants	-147,260	
	-1,052,137			-973,141
	-990,793	Contributions to or from reserves		161,171
	24,949,597	Net expenditure		23,807,600
	7,446,812	Amounts in the CIES not reported to management		7,111,513
	-3,103,820	Amounts in management information not included in the Cost of Services in the CIES		-3,638,467
	29,292,589	Cost of Services in CIES		27,280,646

Notes to the Financial Statements

c Reconciliation to Subjective Analysis

The Code requires the amounts in the previous table to be reconciled to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement (CIES). The deficit is shown at the bottom of the 'Total' column.

2013/14 (Prior year)	Net expenditure on table at 18b £	Amounts not reported to management £	Amounts not in Cost of Services £	CIES		Total £
				Cost of Services £	Other corporate amounts £	
Fees, charges and other service income	-1,939,236	-662,304	1,783,793	-817,747	0	-817,747
Interest and investment income	-22,388	0	22,388	0	-22,388	-22,388
Income from Council Tax	0	0	0	0	-14,648,832	-14,648,832
Income from Non-Domestic Rates	0	0	0	0	-2,289,472	-2,289,472
Government Grants and contributions	-81,306	0	81,306	0	-10,926,854	-10,926,854
Total income	-2,042,930	-662,304	1,887,487	-817,747	-27,887,546	-28,705,293
Employee expenses	19,574,345	4,877,704	-3,000,763	21,451,286	0	21,451,286
Other service expenses	7,162,303	10,166	-1,734,665	5,437,804	0	5,437,804
Non-distributed Costs	0	60,000	0	60,000	0	60,000
Depreciation, amortisation and revaluations	0	3,161,246	0	3,161,246	0	3,161,246
Interest payments	255,879	0	-255,879	0	7,492,879	7,492,879
Gain/loss on disposal of non-current assets	0	0	0	0	16,196	16,196
Total expenditure	26,992,527	8,109,116	-4,991,307	30,110,336	7,509,075	37,619,411
Net expenditure	24,949,597	7,446,812	-3,103,820	29,292,589	-20,378,471	8,914,118

Notes to the Financial Statements

2014/15 (Current year)	Net expenditure on table at 18b £	Amounts not reported to management £	Amounts not in Cost of Services £	CIES		Total £
				Cost of Services £	Other corporate costs £	
Fees, charges and other service income	-650,270	-15,136	-161,171	-826,577	0	-826,577
Interest and investment income	-14,440	0	14,440	0	-14,440	-14,440
Income from Council Tax	0	0	0	0	-15,219,064	-15,219,064
Income from Non-Domestic Rates	0	0	0	0	-2,421,794	-2,421,794
Government Grants and contributions	-147,260	0	147,260	0	-10,228,623	-10,228,623
Total income	-811,970	-15,136	529	-826,577	-27,883,921	-28,710,498
Employee expenses	18,455,538	5,542,364	-2,635,819	21,362,083	0	21,362,083
Other service expenses	5,947,125	154,635	-786,270	5,315,490	0	5,315,490
Non-distributed Costs	0	0	0	0	0	0
Depreciation, amortisation and revaluations	0	1,429,650	0	1,429,650	0	1,429,650
Interest payments	216,907	0	-216,907	0	7,885,907	7,885,907
Gain/loss on disposal of non-current assets	0	0	0	0	86,591	86,591
Total expenditure	24,619,570	7,126,649	-3,638,996	28,107,223	7,972,498	36,079,721
Net expenditure	23,807,600	7,111,513	-3,638,467	27,280,646	-19,911,423	7,369,223

Notes to the Financial Statements

19 Members' Allowances

The following payments were made to Members in accordance with the Authority's approved scheme of Members' Allowances made under the Local Authorities (Members' Allowances) (England) Regulations 2003. Travelling and subsistence allowances are the reimbursement of expenditure personally and necessarily incurred by Members in the performance of their official duties. Payments made directly to third parties for fares and accommodation in respect of conferences attended are not included in this table.

Member	Basic £	Special responsibility £	Co-optees £	Travel and subsistence £	Total £
Baynes, C S	0	0	290	0	290
Bennett, A R M	2,600	0	0	480	3,080
Clark, E F	2,600	0	0	102	2,702
Cronin, M J	0	0	579	0	579
Devine, C	2,600	8,666	0	246	11,512
Edge, P	1,461	256	0	137	1,854
Groom, M	2,600	0	0	337	2,937
Jones, R	2,600	1,910	0	411	4,921
Knight, J R	2,600	0	0	166	2,766
Marshall, H R	1,139	0	0	0	1,139
Martin, N D	2,600	925	0	319	3,844
McMillan, R	0	0	290	0	290
Newbury, C N	2,600	1,727	0	135	4,462
Payne, G D	2,600	2,166	0	183	4,949
Perkins, G	2,600	3,699	0	478	6,777
Tray, J	2,094	0	0	275	2,369
Wayman, B	2,600	0	0	213	2,813
Wright, R	477	0	0	0	477
Total for 2014/15	33,771	19,349	1,159	3,482	57,761
Total for 2013/14	33,468	16,520	1,158	2,971	54,117

Notes to the Financial Statements

20 Officers' remuneration

A Remuneration bands

The Accounts and Audit Regulations require the disclosure of the numbers of officers whose remuneration exceeded £50,000 in the year, analysed in bands of £5,000. This table includes those officers listed in Note 20B.

2013/14		2014/15
No.	Remuneration band	No.
13	£50,000 - £54,999	15
15	£55,000 - £59,999	9
3	£60,000 - £64,999	3
4	£65,000 - £69,999	4
1	£70,000 - £74,999	1
3	£75,000 - £79,999	2
1	£80,000 - £84,999	0
0	£85,000 - £89,999	0
2	£90,000 - £94,999	0
1	£95,000 - £99,999	1
0	£100,000 - £104,999	0
0	£105,000 - £109,999	0
1	£110,000 - £114,999	0

B Senior officers' remuneration

The Accounts and Audit Regulations require the disclosure of the remuneration of senior officers whose annual salary is over £50,000 and who have responsibility for management to the extent that they can direct or control the major activities of the Fire Authority, either solely or collectively. These officers are the Brigade Managers who collectively form the Executive Management Team (EMT). Expenses are taxable payments, not reimbursements made for (e.g.) subsistence. Benefits in kind comprise the taxable cash equivalent value of cars provided by the Authority. The disclosure only includes those payments that are the responsibility of the Authority. As the Chief Fire Officer and Chief Executive has taken flexible retirement, a proportion of his salary is paid in the form of a pension from the Firefighters' Pension Scheme.

Notes to the Financial Statements

2014/15	Salary, fees and allowances £	Expenses £	Benefits in kind £	Total excluding pension £	Employers' pension contributions £	Total £
Brigade Manager						
Chief Fire Officer and Chief Executive	60,562	138	0	60,700	0	60,700
Deputy Chief Fire Officer	95,296	138	0	95,434	15,724	111,158
Brigade Manager - People & Development	75,508	78	0	75,586	12,254	87,840
Brigade Manager - Governance & Assurance	74,269	0	4,143	78,412	12,254	90,666
Total	305,635	354	4,143	310,132	40,232	350,364

2013/14	Salary, fees and allowances £	Expenses £	Benefits in kind £	Total excluding pension £	Employers' pension contributions £	Total £	See note
Brigade Manager							
Chief Fire Officer and Chief Executive	60,562	138	0	60,700	0	60,700	
Deputy Chief Fire Officer	94,400	138	0	94,538	15,104	109,642	
Assistant Chief Fire Officer	26,169	483	0	26,652	5,574	32,226	a
Brigade Manager - People & Development	73,462	72	0	73,534	11,556	85,090	
Brigade Manager - Governance & Assurance	72,223	0	3,681	75,904	11,556	87,460	
Total	326,816	831	3,681	331,328	43,790	375,118	

Notes: a The Assistant Chief Fire Officer retired on 17 July 2013. The post has been held vacant since that date. Although the Code only requires comparative information for those people paid during 2014/15, this post has been included to show the total comparative cost of the Executive Management Team.

21 External audit costs

The Authority's external auditors charged £40,271 for work undertaken in 2014/15 (£37,770 in 2013/14). In addition to this, the auditors charged the Authority £2,500 for a review of the Medium Term Financial Strategy (nil in 2013/14). A rebate of £3,882 was received from the Audit Commission, so that the net charge to the Cost of Services was £38,889. In 2013/14, the rebate was £5,169.

Notes to the Financial Statements

22 Grant income

The Authority credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement during the year. Grants are received from the Department for Communities and Local Government (CLG) unless otherwise indicated. Contributions have been made by public and other local authorities, companies and charitable organisations, primarily for fire prevention activities involving young people.

2013/14		2014/15	
£		£	£
	<u>Credited to the Cost of Services</u>		
-41,156	National Resilience Grant (New Dimension)	-41,979	
-2,588	New Burdens Grants	-5,191	
-39,575	Contributions for Safe Drive initiative	-43,955	
-144,784	Grants and contributions towards fire prevention activities	-113,746	
-209,127	Firelink Revenue Grant	-251,762	
-21,700	Developers' contributions	-107,484	
-70,483	Other grants and contributions	-24,073	
-529,413			-588,190
	<u>Credited to Taxation and Non-specific Grant Income</u>		
-6,213,654	Revenue Support Grant	-5,530,363	
-1,736,370	Non-Domestic Rates Top Up Grant	-1,770,196	
-159,057	Council Tax Freeze Grant	0	
-868,558	General Capital Grant	-868,558	
-1,893,501	Pensions Top-up Grant	-1,912,181	
-55,714	Other non-ringfenced Government Grants	-147,325	
-10,926,854			-10,228,623
-11,456,267	Total credited to the Comprehensive Income and Expenditure Statement		-10,816,813

Grants and contributions which have not been used to match expenditure in the year are transferred to earmarked reserves, while those brought forward from previous years may be transferred to the revenue account to cover expenditure in the current year. These transfers are shown in Note 5 and in the Movement in Reserves Statement. They are excluded from this table.

Notes to the Financial Statements

The Authority received another £68,856 of developers' contributions in the year that have yet to be recognised as income as they have conditions attached to them that will require the monies to be returned to the giver if not spent by a specified date. These have been credited to Revenue Grants Received in Advance in the Balance Sheet.

23 Related party transactions

The Authority is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority.

Central Government has effective control over the general operations of the Authority, in that it is responsible for the statutory framework in which the Authority operates and provides much of its funding in grants. It also sets the terms of some of the transactions which the Authority has with other parties, such as Council Taxpayers. Grants received from central government are set out in Note 22.

Members of the Fire Authority have ultimate control over the Authority's governance and financial policies. The allowances paid to Members in the year are shown in Note 19. Where Members have declared personal interests in accordance with statutory requirements, the details of these have been recorded and are open to public inspection.

Key management personnel having the authority and responsibility for planning, directing and controlling the activities of the Fire and Rescue Service, and members of their families and households, have been asked to declare external interests which might affect the independence of the Authority. All those required to complete returns have replied with no material interests to declare. The payments made to Brigade Managers are detailed in Note 20.

As referred to in Note 1, the Authority is working with three other Fire Authorities (Devon & Somerset, Dorset and Hampshire) in a Networked Fire Control Services Partnership (NFCSP) project, to provide a collaborative approach to the provision of fire control services. The Authority is responsible for paying all partnership related expenditure and for recovering each partner's share of these costs. During 2014/15 the partnership incurred total expenditure of £1,451,844 (£423,130 in 2013/14) which was shared amongst the partners as detailed in the table.

Notes to the Financial Statements

NFCSP Partnership Costs Recovered		
Authority	2013/14 £	2014/15 £
Devon & Somerset	106,034	360,404
Dorset	105,946	382,204
Hampshire	105,575	347,681
Wiltshire & Swindon	105,575	361,555
Total	423,130	1,451,844

The Authority also incurred another £172,733 on the project in the year. This expenditure was solely attributable to Wiltshire & Swindon Fire Authority, rather than to the partnership. Expenditure on the NFCSP project has been financed by a Government Grant specifically provided for this purpose in 2011/12 and carried forward in an earmarked reserve.

Other public bodies may be considered to be related parties in that they are subject to common control by central government. The principal transactions are shown elsewhere in the Statement.

Notes to the Financial Statements

24 Capital expenditure and financing

The Capital Financing Requirement (CFR) is a measure of the capital expenditure incurred historically by the Authority that has yet to be financed. It is increased annually by capital expenditure and the value of assets acquired by finance leases, and reduced by the application of resources used to finance that expenditure. It is also reduced by the revenue provisions charged to the General Fund for the redemption of debt. These transactions are shown in the table below, together with an explanation of the movement in the CFR in the year.

2013/14			2014/15	
£	£		£	£
	12,732,679	Opening CFR		13,079,570
		<u>Capital expenditure</u>		
1,055,456		Land and buildings	449,874	
961,661		Vehicles	349,571	
678,089		Plant and equipment	579,171	
32,074		Intangible assets	11,278	
	2,727,280			1,389,894
		<u>Sources of finance</u>		
-763,605		Direct revenue financing	-272,099	
-868,558		Capital grants	-868,558	
-90,866		Revenue provision for finance leases	-94,662	
-657,360		Minimum Revenue Provision	-691,607	
	-2,380,389			-1,926,926
	13,079,570	Closing CFR		12,542,538
		<u>Explanation of movement in CFR</u>		
	437,757	Increase/decrease(-) in underlying need to borrow		-442,370
	-90,866	Reduction in finance lease liabilities		-94,662
	346,891	Increase/decrease(-) in CFR		-537,032

In 2013/14 and 2014/15, direct revenue financing of capital expenditure was covered by transfers from earmarked reserves.

Notes to the Financial Statements

25 Operating leases

The Authority has the use of certain assets under the terms of operating leases. The annual rentals on these leases are charged to the Cost of Services in the Comprehensive Income and Expenditure Statement. The Authority's valuers have advised that the lease of the vehicle workshops in Melksham is an operating lease. The vehicles, equipment and property which are classified as operating leases are not included in the Balance Sheet.

The amount charged to the Cost of Services and the future minimum payments due under operating leases are shown here.

2013/14		2014/15
£	Vehicles and equipment	£
526,310	Charged to the Cost of Services in the year	438,485
416,718	Future minimum lease payments	307,223
706,426	Not later than one year	411,142
	Later than one year and not later than five years	
1,123,144	Total of future minimum lease payments	718,365
2013/14		2014/15
£	Property	£
60,000	Charged to the Cost of Services in the year	60,000
60,000	Future minimum lease payments	60,000
240,000	Not later than one year	240,000
992,901	Later than one year and not later than five years	932,901
	Later than five years	
1,292,901	Total of future minimum lease payments	1,232,901

Notes to the Financial Statements

26 Finance leases

The Authority acquired four fire appliances in 2009/10 under a finance lease for a ten year term. The annual payment is £113,640, which is split between financing costs charged to the Comprehensive Income and Expenditure Statement as interest payable (£18,978 in 2014/15, £22,774 in 2013/14), and the reduction in the liability to pay the lessor. This liability is shown in the Balance Sheet as a long term creditor, for which a fair value is shown in Note 8.

Assets held under finance leases are included in the Balance Sheet at the net present value of the payments to the lessor, and are subject to annual depreciation. They are included in the analysis of property, plant and equipment in Note 6.

31 March 2014			31 March 2015
£		Balance Sheet - carrying amount	£
578,430		Net book value at start of year	491,127
-87,303		Depreciation	-87,303
491,127		Net book value at end of year	403,824

31 March 2014			31 March 2015
£		Outstanding minimum lease payments	£
94,662		Net present value of minimum lease payments	
		Current	98,457
416,604		Non-current	318,147
511,266			416,604
56,933		Finance costs payable in future years	37,955
568,199		Minimum lease payments	454,559

Notes to the Financial Statements

31 March 2014			31 March 2015	
Minimum lease payments £	Finance lease liability £	Analysis of payments	Minimum lease payments £	Finance lease liability £
113,640	94,662	Not later than one year	113,640	98,457
454,559	416,604	Later than one year and not later than five years	340,919	318,147
568,199	511,266	Total	454,559	416,604

27 Impairment losses

Under the Code, impairment refers to a loss in the value of an asset for reasons specific to that asset, rather than general falls in prices or weakening of conditions in the property market as a whole. Impairments are charged against the Comprehensive Income and Expenditure Statement unless there is a specific balance in the Revaluation Reserve for the impaired asset.

With regard to its property assets, the Authority carries out repairs, planned and reactive maintenance each year, while also including funds in its capital programme for minor improvements which help to maintain the capital value as assessed periodically by the independent Valuers.

In 2013/14 and 2014/15, there were no specific events which caused the Authority to impair its assets.

Notes to the Financial Statements

28 Defined Benefit Pension Schemes

a Participation in Pension Schemes

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

The Authority participates in three pension schemes:-

- ◆ the Firefighters' Pension Scheme (FPS) for uniformed personnel - this is an unfunded scheme, meaning that there are no investment assets built up to meet the pension liabilities, and cash has to be generated to meet actual pension payments as they fall due. This scheme is now closed to new members.
- ◆ the New Firefighters' Pension Scheme (NFPS) for uniformed personnel - this came into effect from 6 April 2006. It applies to all joiners from that date and any members of the FPS who opt to join the new scheme. As with the FPS, the new scheme is unfunded.
- ◆ the Local Government Pension Scheme (LGPS) for other employees and for uniformed personnel who are not eligible to join the NFPS. This is a funded defined benefit scheme administered by Wiltshire Council. The Authority and employees pay contributions that are calculated at a level intended to balance the pension liabilities with investment assets. The fund is invested in equities, bonds, property and other investments.

In addition, the Authority has made arrangements for the payment of added years to certain retired employees outside the provisions of the schemes.

Governance of the Wiltshire Council scheme is the responsibility of the Wiltshire Pension Fund Committee, which includes Members from Wiltshire Council and Swindon Borough Council and representatives of pensioners and employees. This Committee exercises the functions of an administering authority under the LGPS Regulations and makes strategic decisions about the Fund. The Head of Pensions at Wiltshire Council is responsible for running the Fund in an efficient and effective manner for the benefit of members and employers. Investments are made according to a Statement of Investment Principles approved by the Committee.

The principal risks to the Authority of the LGPS are the assumptions made by the Actuary, statutory and structural changes to the scheme and the yields and performance of the investments. These are mitigated by the charges required to be made in the General Fund.

Notes to the Financial Statements

The Wiltshire Pension Fund is subject to a formal valuation by actuaries every three years. The last valuation was as at 31 March 2013. The actuary has taken into account the national changes required by the Public Pensions Services Act 2013, which provides for a move to a new scheme based on career average revalued earnings rather than final salaries from 1 April 2014.

The FPS and NFPS are administered by Wiltshire Council on behalf of the Authority, but the risks are reduced by the top up grant which is paid by the Government to cover the net deficit on the schemes. The main residual risk concerns some injury liabilities for which the Authority is responsible. The last formal valuation of the Firefighters' schemes was as at 31 March 2012. The next full valuation is due at 31 March 2016, as the period between valuations has been set at four years. From 1 April 2015 a new benefit structure will come into effect for the Firefighters' Pension Schemes, but the pension expense for the period to 31 March 2015 allows for the current schemes' benefit design, and the changes have not affected the balance sheet or CIES disclosures for 2014/15.

b Transactions relating to retirement benefits

The cost of retirement benefits is recognised in the Comprehensive Income and Expenditure Statement (CIES) when they are earned by employees rather than when the benefits are actually paid as pensions. However, the charge that is required to be made against Council Tax is based on the amount payable in the year, so the real cost of retirement benefits is reversed out of the General Fund by way of the Movement in Reserves Statement (MIRS). The transactions on the FPS and NFPS are aggregated in the Accounts. The transactions made in the CIES and MIRS during the year are shown in this table.

Notes to the Financial Statements

2013/14		Transactions in CIES and MIRS	2014/15	
Firefighters' Schemes £	Wiltshire Council Fund £		Firefighters' Schemes £	Wiltshire Council Fund £
Comprehensive Income and Expenditure Statement				
4,100,000	774,000	Current service cost	4,600,000	865,000
0	60,000	Past service costs	0	0
7,000,000	237,000	Net interest expense	7,400,000	269,000
-1,893,501	0	Pensions Top-up Grant	-1,912,181	0
9,206,499	1,071,000	Total charged or credited to the deficit on the provision of services	10,087,819	1,134,000
Other Comprehensive Income and Expenditure				
Remeasurement of the net defined benefit liability comprising:				
0	-750,000	Return on plan assets (excluding that in the net interest expense)	0	-1,459,000
6,500,000	378,000	Actuarial gains/losses from changes in financial assumptions	24,800,000	3,987,000
3,800,000	495,000	Actuarial gains/losses from changes in demographic assumptions	0	0
-200,000	533,000	Other experience	-200,000	-99,000
10,100,000	656,000	Total charged to other comprehensive income and expenditure	24,600,000	2,429,000
19,306,499	1,727,000	Total charged to CIES	34,687,819	3,563,000
Movement in Reserves Statement				
-9,206,499	-1,071,000	Reversal of net charges made to the deficit on the provision of services in accordance with the Code	-10,087,819	-1,134,000
2,330,054	669,445	Actual amount charged against the General Fund balance for pensions - Employers' contributions payable to the schemes	2,177,214	758,605

Notes to the Financial Statements

c Assets and liabilities in relation to retirement benefits

31 March 2014		Pensions assets and liabilities recognised in the Balance Sheet	31 March 2015	
Firefighters' Schemes £	Wiltshire Council Fund £		Firefighters' Schemes £	Wiltshire Council Fund £
-158,500,000	-39,000	Present value of unfunded liabilities	-188,600,000	-41,000
0	-20,510,000	Present value of funded liabilities	0	-25,894,000
-13,300,000	0	Present value of injury liabilities	-16,100,000	0
0	14,307,000	Fair value of employer assets	0	16,978,000
-171,800,000	-6,242,000	Net liability arising from defined benefit obligation	-204,700,000	-8,957,000

2013/14		Reconciliation of present value of scheme liabilities	2014/15	
Firefighters' Schemes £	Wiltshire Council Fund £		Firefighters' Schemes £	Wiltshire Council Fund £
-154,800,000	-17,830,000	Opening balance at 1 April	-171,800,000	-20,549,000
-4,100,000	-774,000	Current service cost	-4,600,000	-865,000
0	-60,000	Past service cost	0	0
-7,000,000	-813,000	Interest cost on defined benefit obligation	-7,400,000	-896,000
-900,000	-209,000	Contributions by scheme participants	-1,100,000	-239,000
200,000	0	Transfers out to other authorities	0	0
4,900,000	543,000	Benefits paid	4,800,000	502,000
-6,500,000	-378,000	Remeasurement gains and losses:		
		Changes in financial assumptions	-24,800,000	-3,987,000
-3,800,000	-495,000	Changes in demographic assumptions	0	0
200,000	-533,000	Other experience	200,000	99,000
-171,800,000	-20,549,000	Closing balance at 31 March	-204,700,000	-25,935,000

Notes to the Financial Statements

2013/14		Reconciliation of the fair value of scheme assets	2014/15	
Firefighters' Schemes £	Wiltshire Council Fund £		Firefighters' Schemes £	Wiltshire Council Fund £
0	12,622,000	Opening balance at 1 April	0	14,307,000
0	576,000	Interest income on plan assets	0	627,000
900,000	209,000	Contributions by scheme participants	1,100,000	239,000
4,200,000	693,000	Employer contributions	3,700,000	848,000
-4,900,000	-543,000	Benefits paid	-4,800,000	-502,000
-200,000	0	Transfers out to other authorities	0	0
0	750,000	Return on assets excluding that included in net interest	0	1,459,000
0	14,307,000	Closing balance at 31 March	0	16,978,000

The employer's contributions made as per the table in Note 28 (b) above differ from the actuary's estimate of employer's contributions in this table as used to calculate the net pension liability. The difference is recognised in the Comprehensive Income and Expenditure Statement by including the Pensions Top-up Grant.

The liabilities show the underlying commitments that the Authority has in the long run to pay post employment (retirement) benefits. The total liability of £214m has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet, resulting in a negative overall balance of £199m.

However, statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy:

- ◆ the deficit on the local government scheme (Wiltshire Council Fund) will be made good by increased contributions over the remaining life of employees (i.e. before payment falls due), as assessed by the scheme actuary, and
- ◆ finance is only required to be raised to cover firefighter pensions when the pensions are actually paid.

In the year to 31 March 2016, the total contributions to be made by the Authority to the Wiltshire Council Fund are estimated at £812,800 and to the Firefighters' Schemes £1,904,900. These estimates exclude the contribution represented by the Top-up Grant.

Notes to the Financial Statements

d Information about the defined benefit obligation

31 March 2014				31 March 2015		
Liability split		Duration *		Liability split		Duration *
£	%	Years		£	%	Years
			<u>Firefighters' Schemes</u>			
73,400,000	46.3%	25.3	Active members	96,000,000	50.9%	25.4
4,800,000	3.0%	26.0	Deferred members	5,900,000	3.1%	26.0
80,300,000	50.7%	12.4	Pensioner members	86,700,000	46.0%	12.4
158,500,000	100.0%	18.8		188,600,000	100.0%	19.5
			<u>Firefighters' injury liabilities</u>			
7,200,000	54.1%	25.3	Contingent injuries	9,400,000	58.4%	25.4
6,100,000	45.9%	15.1	Injury pension liabilities	6,700,000	41.6%	15.1
13,300,000	100.0%	20.6		16,100,000	100.0%	21.1
			<u>Wiltshire Council Fund</u>			
13,967,000	68.1%	25.0	Active members	18,876,000	72.9%	25.0
2,323,000	11.3%	25.6	Deferred members	2,651,000	10.2%	25.6
4,221,000	20.6%	12.4	Pensioner members	4,367,000	16.9%	12.5
20,511,000	100.0%	22.5		25,894,000	100.0%	22.1

The duration is the weighted average time until payment of all future discounted cashflows, determined by the Actuary based on membership and the financial and demographic assumptions in the most recent actuarial valuation, as shown in Note 28 (f) below. The durations for the Firefighters' Schemes are effective as at the previous formal valuation at 31 March 2012. Those for the Wiltshire Council Scheme are for funded obligations only and are effective as at the last triennial valuation at 31 March 2013.

Notes to the Financial Statements

e Fair Value of Employer Assets

31 March 2014			Analysis of fair value of scheme assets			31 March 2015		
Quoted prices in active markets £	Prices not quoted in active markets £	Total £		Quoted prices in active markets £	Prices not quoted in active markets £	Total £		
			Equity securities					
426,000	0	426,000	Consumer	396,700	0	396,700		
260,000	0	260,000	Manufacturing	275,300	0	275,300		
166,000	0	166,000	Financial institutions	72,800	0	72,800		
84,000	6,000	90,000	Health and care	124,000	1,200	125,200		
1,548,000	0	1,548,000	Information Technology	1,750,400	0	1,750,400		
61,000	0	61,000	Other	110,600	0	110,600		
2,545,000	6,000	2,551,000	Total equity securities	2,729,800	1,200	2,731,000		
			Debt securities					
21,000	1,040,000	1,061,000	Corporate bonds (investment grade)	23,900	1,352,600	1,376,500		
0	37,000	37,000	Corporate bonds (other)	0	44,800	44,800		
0	119,000	119,000	UK Government	0	66,000	66,000		
42,000	160,000	202,000	Other debt securities	300	245,700	246,000		
63,000	1,356,000	1,419,000	Total debt securities	24,200	1,709,100	1,733,300		
			Property					
0	1,239,000	1,239,000	United Kingdom	218,400	1,490,900	1,709,300		
0	75,000	75,000	Overseas	0	88,900	88,900		
0	1,314,000	1,314,000	Total property	218,400	1,579,800	1,798,200		

Notes to the Financial Statements

31 March 2014			Analysis of fair value of scheme assets	31 March 2015		
Quoted prices in active markets £	Prices not quoted in active markets £	Total £		Quoted prices in active markets £	Prices not quoted in active markets £	Total £
			Investment Funds and Unit Trusts			
0	7,003,000	7,003,000	Equities	0	7,537,600	7,537,600
0	688,000	688,000	Bonds	0	1,056,700	1,056,700
0	741,000	741,000	Hedge Funds	0	327,000	327,000
0	70,000	70,000	Infrastructure	0	88,100	88,100
0	106,000	106,000	Other	1,172,800	132,900	1,305,700
0	8,608,000	8,608,000	Total Investment Funds and Unit Trusts	1,172,800	9,142,300	10,315,100
			Cash and other			
0	-41,000	-41,000	Foreign Exchange	-4,400	0	-4,400
453,000	0	453,000	Cash and cash equivalents	404,600	200	404,800
1,000	2,000	3,000	Other	0	0	0
454,000	-39,000	415,000	Total cash and other	400,200	200	400,400
3,062,000	11,245,000	14,307,000	Total scheme assets	4,545,400	12,432,600	16,978,000

Notes to the Financial Statements

f Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method of valuation, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Firefighters' Schemes and the Wiltshire Council Fund liabilities have been assessed by Hymans Robertson, an independent firm of actuaries.

31 March 2014		Principal assumptions used by the actuary	31 March 2015	
Firefighters' Schemes *	Wiltshire Council Fund		Firefighters' Schemes *	Wiltshire Council Fund
		<u>Mortality assumptions</u>		
		Longevity for current pensioners (in years)**		
29.3	22.3	Men	29.5	22.3
31.5	24.5	Women	31.7	24.5
		Longevity for future pensioners (in years) **		
30.9	24.1	Men	31.1	24.1
33.0	26.9	Women	33.2	26.9
3.6%/3.7%	3.6%	Rate of inflation (Market derived Retail Prices Index)	3.3%/3.4%	3.3%
3.8%/3.9%	4.6%	Rate of increase in salaries	3.4%/3.5%	4.3%
2.8%/2.9%	2.8%	Rate of increase in pensions ***	2.4%/2.5%	2.4%
4.3%	4.3%	Rate for discounting scheme liabilities	3.2%/3.3%	3.2%
90.0%	75.0%	Take-up of option to convert annual pension into retirement lump sum	90.0%	75.0%

* Where two rates are shown, these refer to the FPS/NFPS. Other figures are the same for both schemes.

** Longevity assumptions are based on retirement at 65 for the Wiltshire Council Fund and 60 for the Firefighters' Schemes. Future pensioners are assumed to be age 45 as at 31 March 2015.

*** Pension increases are assumed to be 0.9% p.a. less than market derived Retail Prices Index.

Notes to the Financial Statements

g Sensitivity analysis and risks and uncertainties relating to assumptions

There is a range of actuarial assumptions which is acceptable under IAS 19, particularly in respect of expected salary increases and demographic factors. The assumptions used are the responsibility of the Authority, after taking the advice of the actuary. There are risks and uncertainties associated with whatever assumptions are adopted, as the assumptions are effectively projections of future investment returns and demographic experience many years into the future. Inevitably this involves a great deal of uncertainty about what constitutes a "best estimate" under IAS 19. The actuary interprets this as meaning that the proposed assumptions are neutral, i.e. there is an equal chance of actual experience being better or worse than the assumptions used.

The assumptions used are largely prescribed and reflect market conditions at 31 March 2015. Changes in market conditions can have a significant effect on the value of liabilities reported. For example, a reduction in the net discount rate will increase the assessed value of liabilities as a higher value is placed on benefits paid in the future. The effect of changes in financial assumptions is shown in the table.

With regard to the Wiltshire Council Fund, it is also relevant to note that IAS 19 requires the discount rate to be set with reference to the yields on high quality corporate bonds irrespective of the actual investment strategy of the Fund. Therefore the balance sheet position may change significantly due to relative changes in the equity and AA corporate bond markets at the reporting date.

Approximate increases - Firefighters' Schemes	Employer Liability			Projected Current Service Cost	
	Change	%	£	%	£
<u>Change in financial assumptions 2014/15</u>					
Decrease in real discount rate	0.1%	2	4,000,000	3	160,000
Increase in member life expectancy	1 year	3	6,200,000	3	140,000
Increase in rate of increase in salaries	0.5%	2	3,600,000	5	250,000
Increase in rate of increase in pensions (CPI)	0.5%	8	17,100,000	12	540,000

Approximate increases - Wiltshire Council Fund	Employer Liability		
	Change	%	£
<u>Change in financial assumptions 2014/15</u>			
Decrease in real discount rate	0.1%	12	3,128,000
Increase in member life expectancy	1 year	3	778,000
Increase in rate of increase in salaries	0.5%	5	1,370,000
Increase in rate of increase in pensions	0.5%	6	1,664,000

Notes to the Financial Statements

29 Contingent liabilities

The Authority is required to disclose if there are possible obligations which may require payment or a transfer of economic benefit. At the time of the closure of accounts, no such contingencies had been identified.

30 Contingent assets

The Code defines a contingent asset as a possible asset that arises from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Authority's control. Contingent assets are not recognised in the Comprehensive Income and Expenditure Statement or in the Balance Sheet because prudence cautions that the gains may never be recognised.

No contingent assets have been recognised at the Balance Sheet date.

31 Disclosure of the nature and extent of risks arising from financial instruments

The Fire Authority's activities expose it to a variety of financial risks, including -

- ◆ credit risk - the possibility that other parties might fail to pay amounts due to the authority
- ◆ liquidity risk - the possibility that the authority might not have funds available to meet its commitments
- ◆ market risk - the possibility that financial loss might arise as a result of changes in interest rates, prices and other market conditions.

In managing these risks, the Authority has formally adopted a Treasury Management Policy Statement which complies with CIPFA's "Treasury Management in the Public Services: Code of Practice". It has also set treasury management indicators to monitor key financial instruments risks in accordance with CIPFA's Prudential Code.

The Authority's Treasury Management Policy states that the successful identification, monitoring and control of risk are the prime criteria by which the effectiveness of treasury management will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.

Responsibility for the implementation and monitoring of treasury management policies and practices is delegated to the Finance Review and Audit Committee and for their execution and administration to the Treasurer, who acts in accordance with CIPFA's "Standard of Practice on Treasury Management". Daily administration is carried out by staff in the Finance Department, following the policies set out in the Authority's Policy Statement and Annual Investment Strategy.

Notes to the Financial Statements

Credit risk

The Authority invests temporarily surplus cash in short-term deposits with banks and other financial institutions in accordance with its Annual Investment Strategy, which gives priority to security and liquidity rather than yield.

The 2014/15 Investment Strategy allowed internal staff to invest surplus cash in a limited range of specified deposits, either fixed term or on call, but where the maturity was for no longer than one year. The credit criteria were as set in the Treasury Management Policy.

Credit criteria	Minimum rating	Maximum investment
Highest quality UK financial institutions	F1/A	£3m
Other local authorities	-	£2m
100% owned subsidiaries of clearing banks	-	£2m
Top ten building societies	F1/A	£1m
Other F1A/ rated banks building societies	F1/A	£1m

The maximum investment refers to sums invested with any one institution at any one time. The ratings are determined by Fitch and published on their website. The criteria are used to derive lists of institutions which may be used, and authority is delegated to the Treasurer to vary the lists and limits as circumstances dictate. The ratings are reviewed at least quarterly. During 2014/15, investment activities continued to be constrained by changes to ratings and by the unwillingness of some institutions to accept short term deposits. The Authority has no experience of default with any of its investments.

At 31 March 2015, £1,658,033 was invested with two financial institutions. Both of these investments fell into the definition of cash equivalents - short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. At 31 March 2014, £946,875 was invested with two institutions. Both of these investments were cash equivalents.

The Authority does not generally allow credit to its debtors, and at 31 March 2015, there were no material debts more than three months past their due date.

Liquidity risk

The Authority manages its cash flow to ensure that cash is available when needed. If unexpected movements happen, there is ready access to funds through the money markets. There was no need to borrow in this way in 2013/14 or 2014/15.

Notes to the Financial Statements

To finance that part of its capital programme not covered by grants or other resources, the Authority has borrowed exclusively from the Public Works Loan Board. Access to funds from this source is such that there is no significant risk that the Authority will be unable to finance its commitments. Liquidity risk lies rather in the maturity profile of existing debt, which could result in a significant proportion of total debt requiring replacement at a time of adverse market conditions. This risk is taken into account when deciding on terms for new borrowing.

31 March 2014 £	Maturity profile of borrowings	31 March 2015 £
681,833	Less than one year (in Current Liabilities in Balance Sheet)	370,834
370,834	One to two years	431,832
2,211,500	Two to five years	1,900,500
936,500	Five to ten years	815,667
500,000	Over ten years (last date October 2027)	500,000
4,700,667	Total loans outstanding	4,018,833

The maximum maturing in any one year is £1,096,833 in 2017/18.

Creditors and other payables are all due within one year.

Market risk

The Authority is exposed to risk in terms of interest rate movements. A fall in rates increases the fair value of fixed rate borrowings, but this does not impact upon the Comprehensive Income and Expenditure Statement. As all borrowings are at fixed rates, this gives certainty of cash flow. However, a fall in rates does have an impact on revenue income in the form of investment interest. A judgement of prospective changes in rates is made when the annual budget is set, and performance is monitored through the year by regular reporting.

During 2014/15, as in 2013/14, interest rates on the money market remained at a very low level. The Bank of England base rate remained at 0.5% throughout the year. Income from investment interest was £14,440 in 2014/15 (£22,388 in 2013/14). This represented an average rate of 0.42% on sums invested (0.53% in 2013/14). If rates were to increase by 1%, income would increase by £34,260, other factors being constant.

The Authority is not exposed to significant risks in relation to price inflation or exchange rates in relation to its treasury management activities.

Notes to the Financial Statements

32 Impact of future accounting standards

The Code requires disclosure of information relating to the impact of accounting standards that have been issued or amended but not yet adopted. The following new or amended standards have been adopted by the 2015/16 Code and require a change in accounting policy with effect from 1 April 2015.

- ◆ IFRS 13 - Fair Value Measurement
- ◆ Annual Improvements to IFRSs 2011-13 Cycle
- ◆ IFRIC 21 - Levies

The overall impact of these changes is not expected to be material for the Authority.

Firefighters' Pension Scheme

2013/14		Pension Fund Account 2014/15		2014/15	
£	£			£	£
-1,466,976		Contributions receivable			
-59,197		From the Fire Authority			
-987,744		Contributions in relation to pensionable pay		-1,471,117	
		Other receipts		-59,197	
		Firefighters' contributions		-1,121,897	
	-2,513,917	Total income			-2,652,211
3,740,387		Benefits payable			
885,716		Pensions		3,970,891	
		Commutation of pensions and lump sum retirement benefits		588,217	
	4,626,103				4,559,108
	166,648	Transfers to other schemes			0
	4,792,751	Total expenditure			4,559,108
	2,278,834	Net amount payable for the year			1,906,897
	-1,918,022	Less Top-up Grant received on account for the year			-1,834,370
	360,812	Balance of Top-up Grant receivable			72,527

31 March 2014		Pension Fund Net Assets Statement at 31 March 2015		31 March 2015	
£	£			£	£
	360,812	Current Assets (Debtors)			
		Pension Top-up Grant receivable from the Government			72,527
	0	Current Liabilities (Creditors)			
		Pension Top-up Grant repayable to the Government for prior years			-81,539
	360,812	Net current assets and liabilities *			-9,012

* The net creditor at 31 March 2015 is included in the balance sheet figure for Short Term Creditors.

Notes to the Pension Fund Accounts

1 Operation and Administration of the Firefighters' Pension Fund

The Firefighters' Pension Scheme (Amendment) (England) Order 2006 established the current arrangements for the operation of the Scheme. The Scheme is unfunded, meaning that there are no investment assets built up to meet future liabilities. Employees and the Fire Authority, as employer, both pay contributions into the Fund, based on percentages of pay which are set nationally and are subject to regular revaluation by the Government Actuary's Department.

Sums paid into the Fund as contributions or transfers from other schemes, and sums paid out as benefits or transfers, are specified by Regulations. Any difference between sums receivable and payable is met by a top-up grant from, or payment to, the Department for Communities and Local Government.

The Firefighters' Pension Scheme pays pensions and defined benefits to former wholetime employees and those retained employees who retired on ill-health grounds with duty injuries. It is now closed to new entrants, but existing members continue to make contributions. The New Firefighters' Pension Scheme provides pensions and defined benefits to wholetime and retained staff at Watch Manager level and below who joined since April 2006. Operational staff who join the Service at Station Manager level or above who are not existing members of the Firefighters' Pension Scheme may join the Local Government Pension Scheme.

The Schemes and the Fund are administered by Wiltshire Council on behalf of the Fire Authority.

2 Accounting Policies

As the Pension Fund has no investment assets and does not account for benefits payable in the future, there are no accounting policies which diverge from those described in the main Statement of Significant Accounting Policies.

3 Future Liabilities

The Pension Fund Account takes account only of transactions for the year of account. The Net Assets Statement shows assets and liabilities as at 31 March 2015. They do not take account of liabilities to pay pensions and other benefits after this period. Details of the Authority's future liabilities are set out in Note 28 to the Financial Statements.

Glossary of Terms

Accounting Policies

Rules and practices adopted by the Authority that dictate how transactions and events are shown and costed.

Accounting Standards

Statements of accepted accounting practice, applicable across the public and private sectors. They form a hierarchy such that where a higher level standard does not cover particular circumstances, then reference is made to standards on a lower level. The levels are -

- 1 International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS), and interpretations by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), as adopted by the European Union.
- 2 International Public Sector Accounting Standards (IPSAS).
- 3 UK Generally Accepted Accounting Practice (GAAP) Financial Reporting Standards (FRS), Statements of Standard Accounting Practice (SSAP) and Urgent Issues Task Force (UITF) Abstracts.

Accruals

Income and expenditure are recognised as they are earned or incurred, not as money is received or paid.

Actuary & Actuarial Valuation

An independent professional who advises on the position of the pension fund, providing a valuation of its assets and liabilities at intervals.

Amortisation

The writing down of an asset over a period of time in order to charge the revenue account for that asset's usage.

Amortised cost

The basis of recording financial liabilities, derived by discounting cash flows over the term. For loans at fixed interest rates, or variable rates linked to base rate, without significant transaction costs, the amortised cost should equate to the principal of the loan. This is the case for all loans borrowed from the Public Works Loan Board.

Assets

Items that are owned by the Authority or money that is owed to it.

Balance Sheet

Statement of recorded assets, liabilities, reserves and other balances at the end of an accounting period.

Baseline Funding Level

That part of the income of the Authority which finances revenue expenditure and comprises the share of business rates and a Top-Up Grant from the Government.

Glossary of Terms

Budget

An estimate of the revenue spending for the year, made for the purposes of setting the Council Tax and subsequently controlling costs during the year. If net expenditure is less than the budget, this is known as underspending. As resources have been raised to match the expected spending, the surplus arising from the underspending is added to the General Reserve. Conversely, a deficit arising from overspending the budget will reduce the General Reserve.

Business Rates - See National Non-Domestic Rates (NNDR).

Capital Adjustment Account

This account is credited with all sources of finance for capital expenditure, other than loans. One of these sources is a provision from revenue, equivalent to the minimum revenue provision. It is charged with the historical cost of acquiring, creating or enhancing property plant and equipment, over the life of those assets, through depreciation and impairment losses. The account thus recognises the timing difference arising from the different rates at which assets are accounted for as being consumed and at which resources are set aside to finance their acquisition or enhancement.

Capital Expenditure

Expenditure on the purchase of new property, plant, vehicles and major items of equipment or on the improvement of existing assets.

Capital Financing Requirement (CFR)

This comprises the value of past and current capital expenditure, less sources of financing other than borrowing.

Capital Programme

The budget for capital expenditure on property, plant, vehicles and major items of equipment, including computer systems and software.

Capital Receipts

Income received from the disposal of land, buildings and other capital assets, where the sale proceeds exceed a statutory minimum, currently £10,000 per asset. Income from sales which realise less than this minimum is credited to the Comprehensive Income and Expenditure Statement.

Cash equivalents

Short term, highly liquid investments which have little scope for changes in value.

Cash Flow Statement

The statement which summarises the Authority's inflows and outflows of cash during the year.

CIPFA

The Chartered Institute of Public Finance and Accountancy.

Glossary of Terms

The "Code"

The Code of Practice on Local Authority Accounting in the United Kingdom 2014/15. This prescribes the form and content of the Statement of Accounts, and is published by a joint committee of CIPFA and LASAAC (The Local Authority (Scotland) Accounts Advisory Committee). It is based on approved accounting standards and reflects specific statutory accounting requirements. Compliance with the Code is necessary in order that the Authority's Accounts give a "true and fair" view of its financial position and performance. The Statement also has to comply with any "Code Update" which may be issued after the main Code, while Note 32 refers to the requirements of the 2015/16 Code.

Collection Fund - See Council Tax and National Non-Domestic Rates.

Comprehensive Income and Expenditure Statement

A statement showing the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount funded by grants, Business Rates and the Council Tax.

Contingent assets and liabilities

Possible assets and liabilities that arise from past events but whose existence will only be confirmed by future events not wholly within the Authority's control. These are not recognised in the Accounts as prudence cautions that future gains may never be realised and losses may not occur. However, reserves may be earmarked to protect current and future resources against possible losses.

Council Tax

A local tax on domestic properties introduced in 1993 to replace the Community Charge (Poll Tax). Income from Council Tax finances that part of the Authority's net spending which is not met by Government Grants or Non-Domestic Rates. The tax is collected by Wiltshire Council and Swindon Borough Council (the **billing authorities**) and paid by them into a **Collection Fund**. The Fire Authority issues a **precept** to each billing authority for its share of the tax and the surplus or deficit on the Collection Fund. In 2012/13 and 2013/14, the Government paid a **Council Tax Freeze Grant** to the Authority in return for not increasing the rate of Council Tax levied for each year.

Creditors

Amounts owed by the Authority for goods and services received on or before 31 March.

Current Assets

Assets that are expected to be used in the short term (less than one year), such as cash and inventories.

Debtors

Amounts owed to the Authority for goods and services provided on or before 31 March.

De minimis - see Materiality.

Glossary of Terms

Depreciation

The loss in value of an asset due to age, wear and tear, deterioration and obsolescence. An annual charge is made to the revenue account to reflect this, but an adjustment ensures that there is no effect on the Council Tax. The depreciable amount is the cost or value of an asset less its residual value. Depreciation may be regarded as the allocation of the depreciable amount over the useful life of the asset.

Earmarked Reserves

Amounts set aside for a specific purpose, a particular service or a type of expenditure. Technically, they are part of the General Fund, but they are set out as a separate part of usable reserves.

Fair Value

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair value may apply to physical assets, such as property, or transactions without physical existence, such as financial instruments. For land and buildings, this is the amount that would be paid for the asset in its current use.

Finance Lease - See Lease.

Financial Instruments

Contracts which give rise to a financial asset or liability, such as loans and investments, trade payables (creditors) and receivables (debtors) and financial guarantees.

General Fund (General Reserve)

The account that summarises the revenue costs of providing services that are met by the Authority's demand for Council Tax, Government Grants and other income. In the Statement, this account is included in the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement. The balance is carried forward as part of the Usable Reserves in the Balance Sheet. Though disclosed separately, the Earmarked Reserves are earmarked parts of the General Reserve.

Gross Expenditure

Total expenditure before deducting income.

Gross Book Value

The value of an asset before deducting depreciation and impairment losses.

Glossary of Terms

Heritage Assets

Property, plant and equipment, and intangible assets, which are held primarily for their contribution to knowledge or culture, rather than for operational use. The Authority keeps its asset holdings under review, but has concluded that there are no Heritage Assets within the Balance Sheet.

Historical Cost

The carrying amount of an asset at 1 April 2007 or at the date of acquisition, if later, adjusted for subsequent depreciation and impairment.

Impairment

The permanent diminution in the fair value of an individual item of property, plant or equipment, caused by a consumption of economic benefits, such as irreparable damage.

Intangible Assets

An identifiable non-monetary asset without physical substance, controlled by the Authority, producing future economic or service benefits. The most common class of intangible assets is computer software, but where this forms an inseparable part of a computer system, the system as a whole will be identified as a tangible asset in property, plant and equipment.

International Financial Reporting Standards (IFRS) - See Accounting Standards

Inventories

Stocks of consumable items such as fuel, uniforms or equipment, which may be purchased in one year and used in another, with the value of the unused items being carried forward in the Balance Sheet as current assets.

Lease

An agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for a specified period of time. A **Finance Lease** transfers substantially all of the risks and rewards incidental to ownership to the lessee, whether or not title is transferred at the end of the lease. Any lease not meeting the definition of a Finance Lease is an **Operating Lease**. Each type of lease is accounted for differently.

Liabilities

Amounts owed by the Authority to lenders or suppliers.

Glossary of Terms

Materiality and de minimis

The threshold or cut-off point whereby an item is separately identified in the Statement. An absolute figure cannot normally be stated, as materiality varies according to the class or nature of items being considered. Application of the principle is a matter of judgement. For example, omissions or misstatements are material if they could, individually or collectively, influence the decisions or assessments of those reading the Statement. A discretionary "de minimis" limit of £10,000 has been set for items of equipment - i.e. such items become assets if they cost over £10,000 and will last more than a year, even if they have been purchased initially out of the revenue account. This matches the statutory de minimis limit for capital receipts.

Minimum Revenue Provision

The minimum amount the Authority must charge to its revenue account to provide for the repayment of debt.

Minor Capital Works

Works carried out to improve the Authority's land and buildings.

Movement in Reserves Statement

A Statement showing the movement in the year on the usable and unusable reserves held by the Authority.

Net Book Value (Carrying Amount)

The remaining value of an asset after deducting depreciation and impairment losses. The net book value may be nil if an asset has no residual value and has been retained in use after the end of its anticipated life, over which it has been fully depreciated.

National Non-Domestic Rates (NNDR)

A flat rate in the pound set by Government, often known as 'Business Rates', levied on businesses and paid into a National Pool. Up to 2012/13, the Authority received a share from the National Pool as part of its annual funding - the redistributed amount or 'NNDR Grant'. From 2013/14, the Councils which collect the business rates have been allowed to keep a proportion of the sums collected, and must pay to the Fire Authority 1% of the total collected, allowing for a share of the surplus or deficit on that part of the Collection Fund which relates to business rates. See also [Baseline Funding Level](#).

Net Expenditure

Gross expenditure less income.

Operating Lease - See Lease.

Outturn

Actual income and expenditure for the financial year.

Glossary of Terms

Overspending - See Budget.

Precept

The charge made by one Authority to another to finance its net expenditure. See Council Tax above.

Property, Plant and Equipment

Tangible fixed assets - i.e. assets with physical substance that are held for use in the production or supply of goods and services or for administrative purposes, and are expected to be used during more than one accounting period. Accounting for these assets is based on their current value and is separated from the statutory arrangements for financing their acquisition and improvement.

Provisions

Amounts set aside for any liability or loss that is likely to be incurred in a future year, but where the exact amount and date is uncertain. A provision can be set up only if a reliable estimate can be made of the amount of the obligation to pay. If there is no reliable estimate, there is a contingent liability and a reserve may be earmarked to cover future costs.

Prudential Code & Prudential Indicators

The Prudential Code for Capital Finance in Local Authorities, published by CIPFA. Fire authorities are required to comply with its provisions when setting their capital programmes and treasury management policies. The Prudential Code sets out measures which demonstrate that the authority is complying with the Code in terms of affordability, prudence, sustainability and practicality in its capital activities and treasury management.

PWLB

The Public Works Loan Board - the principal source of long-term capital for local authorities.

Reserves

The amount held in balances and funds that are free from specific liabilities or commitments. Reserves may be usable or unusable.

Usable reserves may be used to finance future spending from the revenue account, including contributions from revenue to finance capital expenditure. **Unusable reserves** are for accounting purposes only and do not represent available resources.

Residual Value

The estimated amount that the Authority would receive from the sale of an asset if the asset were already of the age and in the condition expected at the end of its useful life.

Revaluation

The fair value of assets recorded in the Balance Sheet at current value should be formally reviewed by a professional valuer at intervals of no more than five years, and the revised value included in the Balance Sheet.

Glossary of Terms

Revaluation Reserve

A record of the accumulated gains on the fair value of property, plant and equipment arising from inflation or other factors, to the extent that these gains have not been consumed by subsequent reductions in value. The balance on this reserve is carried forward as part of the Unusable Reserves in the Balance Sheet.

Revenue Account

The account which records all the revenue expenditure and income of the Authority. The difference between the net expenditure on this account and the budget for the year is charged or credited to the General Reserve. For the purposes of the Statement of Accounts, the transactions on the revenue account are recorded in the Comprehensive Income and Expenditure Statement and the Movement in Reserves Statement according to the stipulations of the Code. The only places where the full revenue account can be found are in the Explanatory Foreword and in Note 18, where there is a reconciliation to the Cost of Services.

Revenue Expenditure

The regular day to day costs of running the organisation.

Revenue Support Grant (RSG)

A grant paid by Central Government to a local authority towards the cost of its services.

RICS

The Royal Institution of Chartered Surveyors.

Treasury Deposits

Cash surpluses invested on the money market in order to receive income from interest.

Treasury Management

The management of cash flows, banking, lending and borrowing; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

True and fair view

The standard against which the accuracy and compliance of the Statement is measured.

Underspending - See Budget.

Useful Life

The period for which an asset is expected to be available for use by the Authority.

Note - This Glossary is supplementary to the Statement of Accounts and is not subject to Audit



Wiltshire Fire & Rescue Service
Fire & Rescue Service Headquarters
Manor House, Potterne, Wiltshire SN10 5PP
enquiries@wiltfire.gov.uk
T: 01380 723601