



GA.08 13/14
Governance & Audit Committee
27 June 2013

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Subject: Unaudited Statement of Accounts 2012/13

Report by:	Chief Finance Officer – Russell Stone
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Purpose / Summary:	To note the 2012/13 Unaudited Core statements

RECOMMENDATIONS:

- 1) That Members note the attached Unaudited Core statements to the Statement of Accounts prior to publication.**

IMPLICATIONS

Legal: None arising from this report.

Financial: Fin/2/14 - The Unaudited Statement of Accounts has been prepared in accordance with proper practices. The core financial statements of the authority (Movement in Reserves Statement, the Consolidated Income and Expenditure Account, the Balance Sheet and the Cashflow Statement are attached for note.)

Staffing : None arising from this report.

Equality and Diversity including Human Rights :
*NB: A full impact assessment **HAS TO BE** attached if the report relates to any new or revised policy or revision to service delivery/introduction of new services.*

Risk Assessment : None arising from this report.

Climate Related Risks and Opportunities : None arising from this report.

Title and Location of any Background Papers used in the preparation of this report:
Code of Practice on local authority accounting in the United Kingdom 2012/13 and 2012/13
Code of Practice on Local Authority Accounting in the United Kingdom – Guidance notes for practitioners 2012/13 Accounts
The Accounts and Audit (England) Regulations 2011 – Statutory Instrument Number 817
All papers are located in the Financial Services section, Guildhall

Call in and Urgency:

Is the decision one which Rule 14 of the Scrutiny Procedure Rules apply?

Yes No

Key Decision:

Yes No

1 Introduction

- 1.1 The Unaudited Statement of Accounts for 2012/13 have been prepared under the International Financial Reporting Standards based Code of Practice on Local Authority Accounting (the Code).
- 1.2 Following the Accounts and Audit Regulations 2011 the Council's Statement of Accounts, subject to audit, must be certified by the Chief Finance Officer and published before the 30th June. Following completion of the external audit the Council must formally approve the accounts before the end of September.
- 1.3 The Committee is presented with the core financial statements, prior to publication by the 30th June, for information.
- 1.4 This Committee is responsible for the approval of the statement of accounts and any material amendments of the accounts recommended by the auditors. The Audited Statement Accounts will therefore be presented to this Committee in September 2013 after the audit process.
- 1.5 The Statement of Accounts will be combined with the Annual Governance Statement (AGS), as per the decision on 27 June 2011, to continue to publish one document, clearly identifying that these are separate statements, which will also be presented to the September Committee for approval.
- 1.6 Following the certification of the accounts by the 30th June 2013 by the Chief Financial Officer the External Auditor (KPMG) will carry out their audit. This may result in some changes being made to the statement of accounts that were originally certified by the Chief Finance Officer and published. The impact of the significant changes made on the main statements and associated will be noted in the September report.

2 Summary

The core financial Statements of the accounts are attached at Appendix A.

2.1 Comprehensive Income and Expenditure Statement (CIES)

This Statement records the day-to-day expenditure incurred in providing services and includes salaries and wages, other running costs and financing costs and income due from fees and charges and government grants. This statement also shows the accounting cost in the year of providing services in accordance with generally accepted accounting

practices, but such “accounting costs” do not form part of the amount required to be raised through council tax.

2.2 Movement in Reserves Statement (MIRS)

This statement shows the movement in the year on the different reserves held by the Council, 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 Council’s services, more details of which are shown in the CIES. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting. 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 Council.

2.3 Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the authority (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council 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 MIRS Statement line ‘Adjustments between accounting basis and funding basis under regulations’.

2.4 Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council 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 Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council’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 Council.

West Lindsey District Council Statement of Accounts 2012/13

Core Financial Statements

Movement in Reserves Statement

	General Fund Balance (Restated)	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves (Restated)	Total Council Reserves (Restated)
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Balance at 31st March 2011	(4,031)	(6,838)	(3,711)	(984)	(15,564)	1,359	(14,205)
Movement in Reserves during 2011/12							
Surplus on provision of services - accounting basis	224	0	0	0	224	0	224
Other Comprehensive Income and Expenditure	0	0	0	0	0	4,052	4,052
Total Comprehensive Income and Expenditure	224	0	0	0	224	4,052	4,276
Adjustments between accounting basis & funding basis under regulations (Note 7)	(1,554)	0	290	421	(843)	843	0
Net (Increase)/Decrease before Transfers to Earmarked Reserves	(1,330)	0	290	421	(619)	4,895	4,276
Transfers to/(from) Earmarked Reserves (Note 8)	(632)	632	0	0	0	0	0
(Increase)/Decrease in Year	(1,962)	632	290	421	(619)	4,895	4,276
Balance at 31 March 2012 carried forward	(5,993)	(6,206)	(3,421)	(563)	(16,183)	6,254	(9,929)
Movement in Reserves during 2012/13							
Deficit on provision of services - accounting basis	181	0	0	0	181	0	181
Other Comprehensive Income and Expenditure	0	0	0	0	0	3,814	3,814
Total Comprehensive Income and Expenditure	181	0	0	0	181	3,814	3,995
Adjustments between accounting basis & funding basis under regulations (Note 7)	(859)	0	936	7	84	222	306
Net (Increase)/Decrease before Transfers to Earmarked Reserves	(678)	0	936	7	265	4,036	4,301
Transfers to/(from) Earmarked Reserves (Note 8)	4,344	(4,342)	0	0	2	0	0
(Increase)/Decrease in Year	3,666	(4,342)	936	7	267	4,036	4,301
Balance at 31 March 2013 carried forward	(2,327)	(10,548)	(2,485)	(556)	(15,916)	10,290	(5,626)

West Lindsey District Council Statement of Accounts 2012/13

Core Financial Statements

Comprehensive Income and Expenditure Statement

2011/12				2012/13		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000's	£000's	£000's		£000's	£000's	£000's
7,718	(6,846)	872	Central services to the public	7,648	(6,899)	749
1,914	(135)	1,779	Cultural Services	2,694	(87)	2,607
5,304	(577)	4,727	Environmental & Regulatory Services	4,788	(505)	4,283
2,848	(1,124)	1,724	Planning Services	2,458	(1,562)	896
482	(221)	261	Highways and transport services	494	(334)	160
24,478	(22,523)	1,955	Other housing services	25,660	(24,159)	1,501
1,196	(1)	1,195	Corporate and democratic core	1,770	(25)	1,745
1,297	(642)	655	Non distributed costs	144	(14)	130
45,237	(32,069)	13,168	Cost of Services	45,656	(33,585)	12,071
0	0	1,739	Other operating expenditure (Note 9)			1,962
339	(379)	(40)	Financing and investment income and expenditure (Note 10)			513
	0	(14,643)	Taxation and non-specific grant income (Note 11)			(14,365)
		224	(Surplus) or Deficit on Provision of Services			181
		(500)	Surplus or deficit on revaluation of Property, Plant and Equipment assets			122
		4,552	Actuarial gains/losses on pension assets / liabilities (Note 32)			3,998
		4,052	Other Comprehensive Income and Expenditure			4,120
		4,276	Total Comprehensive Income and Expenditure			4,301

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Core Financial Statements

Balance Sheet

31 March 2012			31 March 2013
£000's		Notes	£000's
16,607	Property, Plant & Equipment	12	16,570
190	Intangible Assets	13	156
1,673	Long Term Investments	14	1,373
1	Long Term Debtors	14	0
18,471	Long Term Assets		18,099
3,778	Short Term Investments	14	4,785
200	Assets Held for Sale	18	0
59	Inventories	15	34
2,515	Short Term Debtors	16	1,823
10,920	Cash and Cash Equivalents	17	10,476
17,472	Current Assets		17,118
(3,460)	Short Term Creditors	19	(3,183)
(71)	Provisions	20	(95)
(234)	Other Current Liabilities	14/30	(190)
(3,765)	Current Liabilities		(3,468)
(21,469)	Net Pension Liability	32	(25,291)
0	Provisions	20	(90)
(587)	Other Long Term Liabilities	30	(592)
(193)	Capital Grants Receipts in Advance	27	(147)
(22,249)	Long Term Liabilities		(26,120)
9,929	Net Assets		5,629
(16,183)	Usable Reserves	21	(15,918)
6,254	Unusable Reserves	22	10,289
(9,929)	Total Reserves		(5,629)

West Lindsey District Council Statement of Accounts 2012/13

Core Financial Statements

Cash Flow Statement

2011/12		2012/13	
£000's		£000's	
224	Net Surplus or Deficit on the provision of Services	0	181
(908)	Depreciation	(970)	
(471)	Impairment and Downward valuations	452	
(28)	Amortisation	(34)	
350	Increase/Decrease in creditors	348	
(282)	Increase/Decrease in debtors	(613)	
19	Increase/Decrease in inventories (stock)	(25)	
(210)	Movement in pension liability	176	
(31)	Carrying amount of Non Current Assets sold or derecognised	(214)	
2	Other non cash items charged to the net surplus or deficit on the provision of services	0	
(1,559)	Adjustments to net surplus or deficit on the provision of services for non-cash movements		(880)
137	Proceeds from the sale of property, plant and equipment	0	
1,777	Other items for which the cash effects are investing or financing cash flows	787	
1,914	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities		787
579	Net cash flows from Operating Activities (Note 36)		88
755	Purchase of property, plant and equipment, investment property and intangible assets	381	
7,221	Purchase of short-term (not considered to be cash equivalents) and long-term investments	4,300	
0	Proceeds from the sale of non current assets held for sale	(172)	
(7,092)	Proceeds from short-term (not considered to be cash equivalents) and long-term investments	(3,783)	
(324)	Other receipts from investing activities	(629)	
560	Net cash flows from Investing Activities		97
(2,175)	Other receipts from financing activities	12	
231	Cash payments for the reduction of the outstanding liabilities relating to finance leases.	247	
0	Repayments of short and long-term borrowing	0	
(1,944)	Net cash flows from Financing Activities		259
(805)	Net increase or decrease in cash and cash equivalents		444
(10,115)	Cash and cash equivalents at the beginning of the reporting period		(10,920)
(10,920)	Cash and cash equivalents at the end of the reporting period (Note 17)		(10,476)

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Core Financial Statements

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