



STATEMENT OF ACCOUNTS

**Year Ended 31st March 2013
for**

The Vale of Glamorgan County Borough Council

EXPLANATORY FORWARD

The Authority's Statement of Accounts for the year 2012/13 are set out on the following pages.

They consist of :-

EXPLANATORY NOTE

Pages 3-7 Provides a brief explanation of the financial aspects of the Council's activities and draws attention to the main characteristics of the Council's financial position. The three graphs show in broad terms where the Council's money comes from, what it is spent on and what services it provides.

STATEMENT OF ACCOUNTS

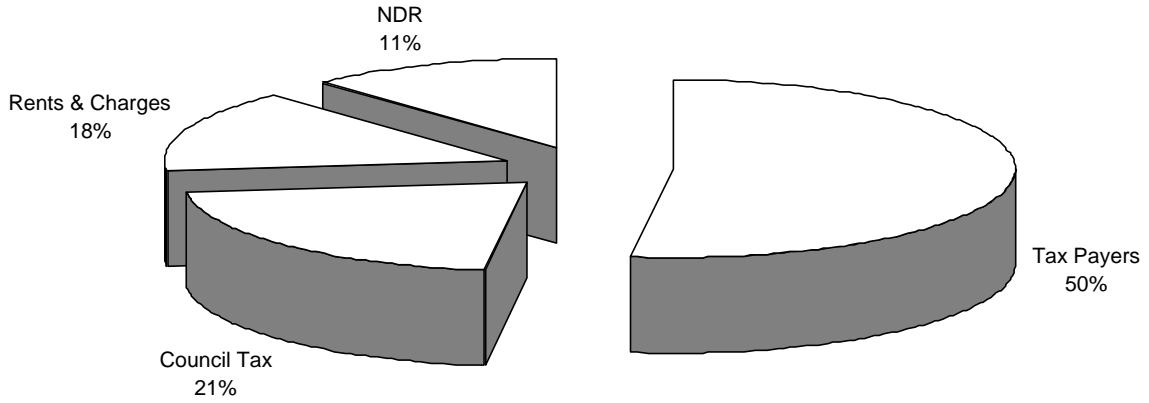
Pages 8-16	The Statement of Accounting Policies.
Page 17	Statement of Responsibilities for the Statement of Accounts.
Pages 18-19	Movement in Reserves Statement.
Page 20	Comprehensive Income and Expenditure Statement.
Pages 21-22	The Balance Sheet as at 31 March 2013.
Page 23	The Cash Flow Statement - which summarises the total movement of the Council's funds.
Pages 24-71	Notes to the Financial Statements.
Pages 72-76	The Housing Revenue Account.

TRUST FUNDS

Page 77	The Trust Fund Statement - this shows monies held by the Authority on behalf of various trusts etc.
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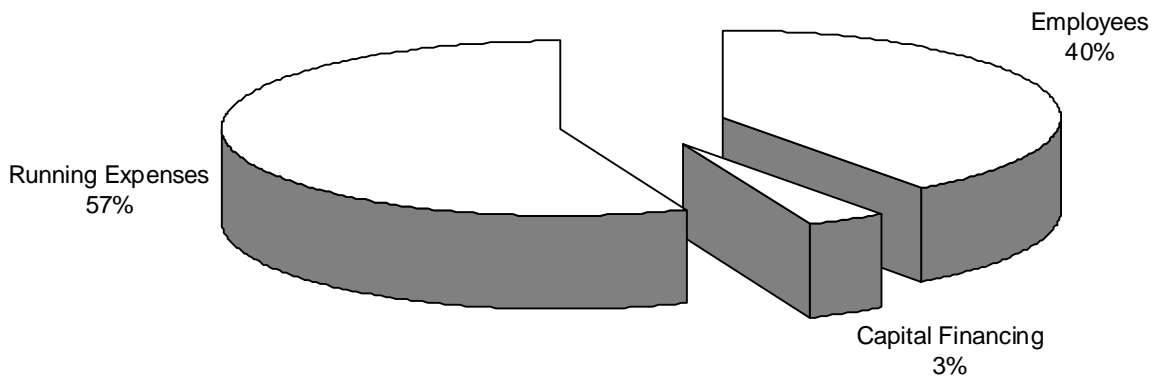
EXPLANATORY NOTE

Where the money comes from:



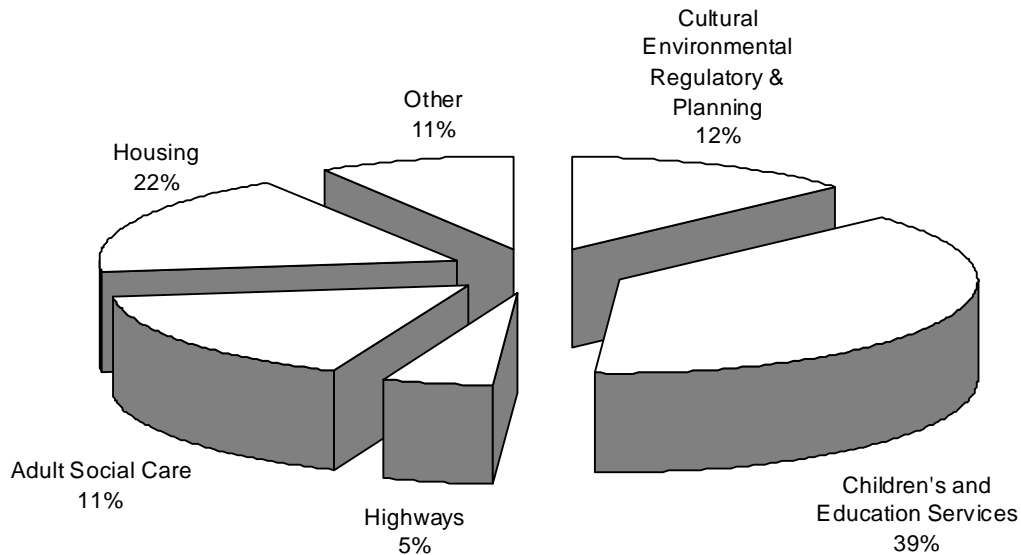
1. The largest source of income is Government grant (Tax Payer) which provides 50% of the total, 18% comes from the services the Council provides through rents, fees and charges. Council Tax accounts for 21% of the total income.

What the money is spent on:



2. Running Expenses such as maintaining buildings, operating vehicles and purchase of supplies and services take up over half of the total expenditure. Employees account for 40% of the total. Financing charges are mainly the payments of principal and interest on loans.

The services provided :



3. Some 39% of the total expenditure is on Children's and Education services; a further 22% is spent on Housing.

Budget

4. The main component of the Budget for 2012/13 and how these compare with the amount to be met from Government Grant and Local Taxpayers are set out below: -

	Original Budget £,000	Actual £,000	Difference £,000
Final net Revenue Expenditure after all necessary adjustments	203,556	202,701	(855)
South Wales Police Authority	9,350	9,350	0
Community Council Precepts	2,156	2,156	0
Revenue Support Grant	(117,668)	(117,668)	0
National Non Domestic Rate	(33,507)	(33,507)	0
Council Tax	(63,387)	(64,867)	(1,480)
(Increase) / Decrease in Council Fund Balance for the Year	500	(1,835)	(2,335)

5. The Welsh Assembly Government determined the Council's standard spending assessment for 2012/13 as £205,294,361 upon which revenue support grant is calculated.
6. Council Fund balance amounts to £9.828M.

Capital

7. In 2012/13 the Council spent £40.578m on capital expenditure compared with the Revised Budget of £44.142m (the original budget was £28.703m)
8. Capital expenditure was incurred on services and financed for 2012/13 as shown below:-

Expenditure Incurred on Services	£,000	£,000
Education & Schools	6,887	
Total Learning & Development		6,887
Children Services	41	
Adult Services	216	
Total Social Services		257
Environment and Visible Services	5,399	
Parks and Grounds Maintenance	434	
Public Sector Housing	9,057	
Total Visible and Housing Services		14,890
Economic Development & Leisure	13,512	
Planning & Transportation	1,533	
Private Sector Housing and Community Safety	2,075	
Total Development Services		17,120
Resources	1,424	1,424
TOTAL CAPITAL EXPENDITURE 2012 / 13		40,578

Capital Expenditure Financed By :	£,000
Loans	6,555
Capital Receipts	159
Other Receipts:	
General Capital Funding Grant	1,906
Revenue	17,362
WG Grants	13,132
Other Grants/contributions	1,464
TOTAL CAPITAL EXPENDITURE 2012 / 13	40,578

9. The Council's assets at the 31 March 2013 have a book value of over £553 million and an insurance value of well in excess of this figure.

10. Fixed Assets

	2012	2013
HRA Housing		
Council Dwellings (including hostel)	3,945	3,940
Policy		
Offices	6	6
Depots	2	2
Highways & Transportation		
Roads :		
Principal	74kms	74kms
Non Principal	369kms	369kms
Unclassified	583kms	587kms
Highway Structures	565	565
Bridleway, Footpaths, Definitive ROW	525kms	567kms
Car Parks :		
Multi Storey	1	1
Surface	22	22
Leisure & Cultural		
Leisure Centres	6	6
Parks and Recreation Grounds	1,391	1,494
	acres	acres
Markets	1	1
Country Parks	2	2
Historic Houses & Gardens	1	1
Piers	1	1
Community Centres	24	24
Economic Development		
Industrial Units	89	88
Education & Libraries		
Nursery Schools	3	3
Infants Schools	2	2
Junior Schools	2	2
Primary Schools	44	44
Secondary Schools	8	8
Special Schools	3	3
Youth Centres & Adult Learning Centres	5	5
Libraries – Full time	5	5
Libraries – Part time	4	4
Property Services		
Agricultural Holdings (hectares)	310.1	310.1
Social Services		
Residential Establishments	6	6
Day Centres & Clubs	4	4
Family Centre	2	2

11. Levels of Borrowing / Funding Arrangements

The Local Government Act 2003 requires a local authority to set its authorised borrowing limit for the following year. The limit set for this Authority for 2012/13 was £167 million.

The actual external borrowing as at 31 March 2013 was £99.092 million as shown below and in the balance sheet. The external debt was made up of the following:

Source of Loan	31 March 2012 £,000	31 March 2013 £,000
Public Works Loan Board	97,414	92,854
Long Term Loans	6,142	6,138
Other	100	100
	103,656	99,092

The Authority before the commencement of the 2012/13 financial year approved the Treasury Management Strategy / Policy Statement which deals with the treasury functions of the Authority.

12. Corporate and Democratic Core

The gross expenditure for this service is greater in 2011/12 than 2012/13 due to one-off transfers to provisions that totalled in excess of £15 million.

13. Impact of the Current Economic Climate

The financial pressures on the Authority including low investment income rates continued during 2012/13. The Authority considers that it has sufficient balances and reserves, however they will be put under pressure from future financial pressures.

14. The Euro

A decision of if, or when, the United Kingdom will use the common European currency has not yet been made. No assessment or financial plans of the effect to the Authority of the introduction of the currency is included in the 2012/13 accounts.

15. Further Information

Further information about the accounts is available from the Resources Directorate, Civic Offices, Holton Road, Barry CF63 4RU. This is part of the Council's policy of providing full information about the Council's affairs. In addition, interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised in the local press.

FINANCIAL STATEMENTS

STATEMENT OF ACCOUNTING POLICIES

1. General

The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit (Wales) Regulations 2005 (as amended) which require them to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 and the Service Reporting Code of Practice 2012/13 (SeRCOP), supported by International Financial Reporting Standards (IFRS) and statutory guidance.

2. Revenue / Expenditure

The transactions of the Council are accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected

There are certain exceptions to this principle. The main items are:-

(a) Electricity charges, telephone expenses, leasing and similar periodic payments are included in the Accounts on a payments basis and not accrued to 31st March each year. Payments in respect of a full twelve months are included.

(b) The amount included in the accounts for Government Revenue Support Grant for 2012/13 is on the basis of cash received. Where final figures are not available e.g. Subsidy Entitlement, the amounts included are based on the latest available information.

The difference between the amounts charged annually to the Revenue Accounts in respect of items (a) and (b) and the amounts that would be charged if they were accrued to 31st March each year is not significant.

3. Cash and Cash Equivalents

Cash and cash equivalents is represented by cash in hand, current account balances and deposits that have been invested over night on the last working day in March and any instant access investment accounts.

4. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

A change in accounting policies or to correct a material error can result in a prior period adjustment. Changes in accounting estimates do not give rise to a prior period adjustment but are accounted for prospectively, ie in the current and future years affected by the change. There were no prior period adjustments in the year.

5. Charges to Revenue for Non- Current Assets

The following amounts are charged to revenue to record the cost of holding fixed assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Revaluation and impairment losses on assets chargeable to the service.
- Amortisation of intangible fixed assets attributable to the service.

Council Tax is not required to be raised to fund depreciation, revaluation, impairment losses or amortisations. However, an annual contribution is required from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance.

6. Employee Benefits

Benefits Payable During Employment

Short term employee benefits are those due to be settled within 12 months of the year end. An accrual is made for the cost of holiday entitlements (or any form of leave) earned by employees but not taken before the year end which employees can carry forward into the next financial year. Holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy.

Post Employment Benefits

Employees of the Authority are members of two separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE).
- The Local Government Pensions Scheme, administered by Cardiff County Council Pension Authority.

Both schemes provided defined benefits to members (retirement lump sums and pensions), earned as employees who worked for the Authority.

The arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Authority. The scheme is therefore accounted for as if it were a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefits scheme:

- The liabilities of the Cardiff and Vale pension fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – ie an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate.
- The assets of the Cardiff and Vale Pension Fund attributable to the Authority are included in the Balance Sheet at their fair value.

Statutory provisions require the Council Fund balance be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year in relation to retirement benefits

7. Events After the Balance Sheet Date

These are events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Such events could result in the Statement of Accounts being adjusted. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

8. Financial Instruments

Financial Liabilities

Financial liabilities are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the

Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.

Financial Assets

Financial assets are classified into two types:

- Loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market.
- Available-for-sale assets – assets that have a quoted market price and / or do not have fixed or determinable payments.

Loans and Receivables

Loans and receivables are initially measured at fair value and carried at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Authority has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable plus accrued interest and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

When a soft loan is made, a loss is recorded in the Comprehensive Income and Expenditure Statement for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable, with the difference serving to increase the amortised cost of the loan in the Balance Sheet – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the Council Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

9. Available – for – Sale Assets

Available-for-Sale Assets are initially measured and carried at fair value. Where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure Income line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Council.

Assets are maintained in the Balance Sheet at fair value.

Changes in fair value are balanced by an entry in the Available-for-Sale Reserve and the gain / loss is recognised in the Surplus or Deficit on Revaluation of Available-for-Sale Financial Assets. The exception is where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement along with any net gain / loss for the asset accumulated in the reserve.

10. Government Grants and Contributions

Government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that:

- The Authority will comply with the conditions attached to the payments, and
- The grants or contributions will be received.

Grants and contributions advanced for which conditions have not been satisfied are carried in the Balance Sheet as creditors. Once conditions are satisfied, the grant or contributions is credited to the Comprehensive Income and Expenditure Statement.

Capital grants are credited to the Comprehensive Income and Expenditure Statement and are reversed out of the Council Fund Balance in the Movement in Reserves Statement. Grants not yet used to finance capital expenditure, are posted to the Capital Grants Unapplied reserve. Once applied, it is posted to the Capital Adjustment Account.

11. Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority.

The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

12. Inventories

Inventories should be included in the Balance Sheet at the lower of cost and net realisable value. However, some stock is valued at the latest price paid, with an allowance made for obsolete and slow-moving items. The effect of the different treatment is considered to be immaterial.

13. Leases

A finance lease is one where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee.

All other leases are classified as operating leases. The land and buildings elements of a lease are considered separately for classification.

The Authority as Lessee

Finance Leases

Finance leases for property, plant and equipment are recognised on the Balance Sheet at the commencement of the lease. The asset recognised is matched by a liability for the obligation to pay the lessor.

Operating Leases

Rentals paid under operating leases are charged to the services in the Comprehensive Income and Expenditure Statement that benefit from the use of the leased property, plant or equipment.

The Authority as Lessor

Finance Leases

A finance lease granted by the Authority over an asset is written out of the Balance Sheet as a disposal and a lease (long term debtor) asset is included in the Balance Sheet.

Lease rentals receivable are apportioned between a charge for the acquisition of the interest in the property and Finance income.

The gain on disposal credited to the Comprehensive Income and Expenditure Statement is required to be treated as a capital receipt.

Operating Leases

Rental income under an operating lease is credited to the Comprehensive Income and Expenditure Statement; the property, plant or equipment is retained in the Balance Sheet.

14. Overheads and Support Services

The full cost of overheads and support services are charged in the Comprehensive Income and Expenditure Statement as part of net expenditure.

15. Property, Plant and Equipment

Revaluation of the assets of the Authority will be undertaken on a rolling basis over a five year cycle by an external valuer.

Council Dwellings are regarded by the Authority as operational and valued using the Beacon approach (adjusted vacant possession value).

Land and Property regarded by the Authority as operational was valued on the basis of constructing modern equivalent buildings, or where this could not be assessed because there was no market for the subject asset (ie specialised property) the depreciated replacement cost.

Land and Property regarded by the Authority as non-operational have been valued on the basis of cost, fair value, or depreciated replacement cost as appropriate.

Infrastructure, Vehicles, Plant and Equipment and Community Assets are included at cost (less depreciation where required).

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably.

A de-minimis rule for capital has been applied – generally no capital expenditure valued at under £10,000 is included within capital spend.

Assets are initially measured at cost, comprising:

- a. the purchase price
- b. any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- c. the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (e.g. repairs and maintenance) is not added to fixed assets in the Balance Sheet but is charged as an expense as it is incurred. This entry is then reversed out to the Capital Adjustment Account to ensure there is no impact on Council Tax levels.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Income and Expenditure Account where they arise from the reversal of an impairment loss previously charged to a service revenue account.

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account.

Where decreases in value for individual assets are identified, they are accounted for either by setting it off against gains for the asset in the Revaluation Reserve or against the relevant service lines in the Comprehensive Income and Expenditure Statement.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets over their useful lives. An exception is where assets are without a determinable finite useful life (ie Freehold Land and Community Assets) and assets that are not available for use (ie assets under construction).

Depreciation is calculated on the following bases:

- Dwellings and other buildings - straight line allocation over the useful life of the property as estimated by the valuer.
- Vehicles, plant, furniture and equipment - over the life of the asset.
- Infrastructure – straight line allocation over 40 years.

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Disposals and Non Current Assets Held for Sale

An asset is reclassified as Held for Sale when it is probable that the carrying amount will be recovered principally through a sale transaction. The asset is revalued immediately before reclassification. Depreciation is not charged on Assets Held for Sale.

Where assets no longer meet the criteria to be classified as Assets Held for Sale they are reclassified back to non-current assets.

Component accounting

Assets with a net book value in excess of £3.5million will be reviewed to determine if there are any significant components that require a separate depreciation calculation and whether it is material. No adjustments for component accounting was made in the accounts.

16. Provisions, Contingent Liabilities and Contingent Assets

Provisions

The Council sets aside provisions for specific future expenses that are likely or certain to be incurred but the amount of which cannot yet be determined accurately.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

See note 22 to the Balance Sheet.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

17. Specific Reserves

These reserves represent sums of money that are voluntarily set aside for specific purposes. The purpose of these reserves is explained in Note 9 to the Balance Sheet.

18. Revenue Expenditure Funded from Capital under Statute

Expenditure that may be capitalised under statutory provisions but does not result in the creation of non current assets has been charged as expenditure to the relevant service in

the Comprehensive Income and Expenditure Statement in the year. The total gross expenditure is £12.673 million. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the Council Fund balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

19. Value Added Tax

Income and expenditure excludes any amounts related to Value Added Tax (VAT), as all VAT collected is payable to HM Revenue and Customs and all VAT paid is recoverable from them.

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 Head of Financial Services (Section 151 Officer).
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the statement of accounts.

Signed

Mayor as Chairman of the Council

Date

Responsibilities of the Head of Financial Services (Section 151 Officer)

The Head of Financial Services (Section 151 Officer) 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 Head of Financial Services (Section 151 Officer) 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 Head of Financial Services (Section 151 Officer) has also:

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

Head of Financial Services (Section 151 Officer)

I certify that the statement of accounts gives a true and fair view of the financial position of The Vale of Glamorgan County Borough Council at the reporting date and of its expenditure and income for the year ended 31st March 2013.

C. H. Teague CPFA
Head of Financial Services
(Section 151 Officer)

MOVEMENT IN RESERVES STATEMENT

This Statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (ie 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. These are different from the statutory amounts required to be charged to the Council Fund Balance and the Housing Revenue Account for Council Tax setting and dwellings rent setting purposes. The Net Increase / Decrease before Transfers to Earmarked Reserves line shows the statutory Council Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council

2011/12	Council Fund Balance	Ear-Marked General Fund Reserves	Housing Revenue Account	Ear-Marked HRA Reserves	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Un-Usable Reserves	Total Auth. Reserves
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Bal. at 31 March 2011	7,858	56,028	11,375	751	13,195	358	89,565	207,012	296,577
Movement in reserves during 2011/12									
Surplus or (Deficit) on the provision of services	(12,478)	0	(3,275)	0	0	0	(15,753)	0	(15,753)
Other Comprehensive Income and Expenditure	(44,626)	0	68,996	0	0	0	24,370	0	24,370
Total Comprehensive Income and Expenditure	(57,104)	0	65,721	0	0	0	8,617	0	8,617
Adjustments between accounting basis and funding basis under regulations (Note 8)	46,652	0	(62,966)	0	(1,384)	(131)	(17,829)	17,829	0
Net Increase/Decrease before Transfers to Earmarked Reserves	(10,452)	0	2,755	0	(1,384)	(131)	(9,212)	17,829	8,617
Transfers to/from Earmarked Reserves (Note 9)	10,587	(10,587)	751	(751)	0	0	0	0	0
Increase/Decrease in 2011/12	135	(10,587)	3,506	(751)	(1,384)	(131)	(9,212)	17,829	8,617
Bal. at 31 March 2012	7,993	45,441	14,881	0	11,811	227	80,353	224,841	305,194

MOVEMENT IN RESERVES STATEMENT

This Statement shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (ie 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. These are different from the statutory amounts required to be charged to the Council Fund Balance and the Housing Revenue Account for Council Tax setting and dwellings rent setting purposes. The Net Increase / Decrease before Transfers to Earmarked Reserves line shows the statutory Council Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council

2012/13	Council Fund Balance	Ear- Marked General Fund Reserves	Housing Revenue Account	Ear- Marked HRA Reserves	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Un- Usable Reserves	Total Auth. Reserves
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Bal. at 31 March 2012	7,993	45,441	14,881	0	11,811	227	80,353	224,841	305,194
Movement in reserves during 2012/13									
Surplus or (Deficit) on the provision of services	7,971	0	(3,701)	0	0	0	4,270	0	4,270
Other Comprehensive Income and Expenditure	(30,917)	0	303	0	0	0	(30,614)	0	(30,614)
Total Comprehensive Income and Expenditure	(22,946)	0	(3,398)	0	0	0	(26,344)	0	(26,344)
Adjustments between accounting basis and funding basis under regulations (Note 8)	28,654	0	2,087	0	1,757	(35)	32,463	(32,463)	0
Net Increase/Decrease before Transfers to Earmarked Reserves	5,708	0	(1,311)	0	1,757	(35)	6,119	(32,463)	(26,344)
Transfers to/from Earmarked Reserves (Note 9)	(3,873)	3,873	0	0	0	0	0	0	0
Increase/Decrease in 2012/13	1,835	3,873	(1,311)	0	1,757	(35)	6,119	(32,463)	(26,344)
Bal. at 31 March 2013	9,828	49,314	13,570	0	13,568	192	86,472	192,378	278,850

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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.

2011/12 Gross Exp £,000	2011/12 Income £,000	2011/12 Net Exp £,000		2012/13 Gross Exp £,000	2012/13 Income £,000	2012/13 Net Exp £,000
			EXPENDITURE ON SERVICES			
40,028	6,328	33,700	Adult Social Care	40,562	7,128	33,434
3,132	1,509	1,623	Central Services	3,451	1,628	1,823
141,590	30,248	111,342	Children's and Education Services	140,972	31,721	109,251
17,311	5,199	12,112	Cultural and Related Services	17,201	3,065	14,136
19,471	7,083	12,388	Environmental and Regulatory Services	19,972	7,436	12,536
6,720	4,228	2,492	Planning Services	5,607	3,518	2,089
19,191	8,114	11,077	Highways and Transport Services	18,645	7,747	10,898
21,500	15,559	5,941	Local Authority Housing (HRA)	22,503	16,076	6,427
54,594	52,659	1,935	Housing Services	56,416	54,277	2,139
22,654	3,407	19,247	Corporate and Democratic Core	7,836	4,396	3,440
155	0	155	Non Distributed Costs	153	0	153
346,346	134,334	212,012	Cost of Services	333,318	136,992	196,326
17,187	0	17,187	Other Operating Expenditure – note 10	18,471	0	18,471
9,110	0	9,110	Financing and Investment Income and Expenditure – note 11	9,910	0	9,910
0	(222,556)	(222,556)	Taxation and non-specific grant income – note 12	0	(228,977)	(228,977)
		15,753	(Surplus) or Deficit on Provision of Services			(4,270)
		(68,720)	(Surplus) or deficit on revaluation of Property, Plant and Equipment			(366)
		0	(Surplus) or deficit on revaluation of available for sale financial assets			0
		44,350	Actuarial (gains)/losses on pension assets / liabilities			30,980
		(24,370)	Other Comprehensive Income and Expenditure			30,614
		(8,617)	Total Comprehensive Income and Expenditure			26,344

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 are usable reserves ie. 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 (for example the Capital Receipts that may only be used to fund capital expenditure or repay debt). The second category of reserves are 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 and regulations'.

BALANCE SHEET

31March			31 March
2012		Notes	2013
£,000			£,000
548,758	Property, Plant and Equipment	13	553,600
270	Intangible Assets	16	168
10	Long Term Investments	17	10
276	Long Term Debtors	17	198
549,314	Long Term Assets		553,976
101,022	Short Term Investment	17	85,480
5,585	Assets Held for Sale	14	3,250
449	Inventories	18	382
21,462	Short Term Debtors	19	28,474
313	Cash and Cash Equivalents	20	0
128,831	Current Assets		117,586
6,010	Short Term Borrowing	17	3,704
24,511	Short Term Creditors	21	23,551
22,040	Provisions	22	10,471
168	Capital Grants Received in Advance	36	263
0	Cash and Cash Equivalents	20	2,354
52,729	Current Liabilities		40,343
8,533	Provisions	22	7,821
97,646	Long Term Borrowing	17	95,388
212,680	Other Long Term Liabilities (pensions)	39	247,170
1,363	Capital Grants Received in Advance	36	1,990
320,222	Long Term Liabilities		352,369
305,194	Net Assets		278,850
80,353	Usable Reserves	23	86,472
224,841	Unusable Reserves	24	192,378
305,194	Total Reserves		278,850

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 (ie borrowing) to the Authority.

31 March		Notes	31 March
2012			2013
£,000			£,000
(15,753)	Net surplus or (deficit) on the provision of services		4,270
12,818	Adjustments to net surplus or deficit on the provision of services for non-cash movements		13,998
(5,477)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities		(18,787)
(8,412)	Net cash flows from Operating Activities	25	(519)
(8,060)	Investing Activities	26	6,818
9,293	Financing Activities	27	(8,966)
(7,179)	Net increase or decrease in cash and cash equivalents		(2,667)
7,492	Cash and cash equivalents at the beginning of the reporting period		313
313	Cash and cash equivalents at the end of the reporting period	20	(2,354)

NOTES TO THE ACCOUNTS

1. The amount of Revenue Support Grant recorded as income is based on the Council's latest available information. No material adjustment is likely to arise on the final settlement for 2011/12 entitlements.

2. COUNCIL TAX

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into 9 valuation bands estimating 1 April 2003 values for this specific purpose. Charges are calculated by taking the amount of income required for The Vale of Glamorgan Council and South Wales Police Authority, Town and Community Councils for the forthcoming year and dividing this amount by the council tax base. The Council Tax base is the number of properties in each band adjusted by a proportion to convert the number to a band D equivalent, totalled across all bands – for 2012/13.

This basic amount for a band D property (£1,148.53 in 2012/13) is multiplied by the proportion specified for the particular band to give the individual amount due.

Council Tax bills were based on the following proportions for Bands A to I :

Band A	0.67
Band B	0.78
Band C	0.89
Band D	1.00
Band E	1.22
Band F	1.44
Band G	1.67
Band H	2.00
Band I	2.33

3. NATIONAL NON-DOMESTIC RATES

The National Non Domestic Rate Contributions (NNDR) is accounted for on a cash basis. NNDR is organised on a national basis. The Government specifies an amount (42.8p in 2011/12 and 45.2p in 2012/13); local businesses pay rates calculated by multiplying their rateable value by that amount.

The Council collects rates due from the ratepayers in its area but pays the proceeds into an NNDR pool administered by the Welsh Assembly Government. The sums paid into the pool are redistributed back to local authorities' Council Funds on the basis of a fixed amount per head of population.

The NNDR income raised, after reliefs etc was £33,040,535 for 2012/13 (£34,956,865 in 2011/12) and was based on an average rateable value for the Council's area of £98,568,773 for the year (£100,861,326 in 2011/12).

Other than that shown below the Authority does not provide any other goods and services to other public bodies under the Local Authority Goods and Services Act 1970.

The Authority collects water rates from Council tenants for Dwr Cymru. In 2012/13 we collected £1,896,000 (£1,831,000 in 2011/12) and earned a commission of £242,000 (£261,000 in 2011/12) which benefited our Council Fund.

4. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE YET TO BE ADOPTED

Accounting Standards are subject to continual review by the International Accounting Standards Board and when changes are agreed, included in updates of the Accountancy Code of Practice.

For 2013/14, the Code will adopt amendments to IAS1, IFRS7, IAS12, IAS19 which will result in a change of accounting policy that requires disclosure.

- IAS 1 Presentation of Financial Statements – the amendments are in respect of those gains or losses reclassifiable into the Surplus or Deficit on the Provision of Services. Implementation will not be required until 1 April 2013. It is considered unlikely that IAS 1 will have a material impact on the Council's financial statements.
- IFRS 17 Financial Instruments: Disclosures (Offsetting Financial Assets and Liabilities) – the amendments allow users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set off associated with the entity's recognised financial assets and recognised financial liabilities on the entity's financial position. Implementation will not be required until 1 April 2013. It is considered unlikely that IFRS 17 will have a material impact on the Council's financial statements
- IAS 12 Income Taxes – the amendments are intended to provide a practical solution for jurisdictions where entities currently find it difficult and subjective to determine the expected manner of recovery for investment property. Implementation will not be required until 1 April 2013. It is unlikely that IAS 12 will have a material impact on the Council's financial statements.
- IAS 19 Employee Benefits – the amendments relate to new classes of components of defined benefit cost to be recognised and remeasurement of the net defined benefit liability and where material new definitions or recognition criteria for service costs and new recognition criteria for termination benefits. If this revised IAS 19 were adopted for the accounting period ending 31 March 2013 then this will increase the expenses recognised for funded benefits from £14.90 million to £20.48million. There is no effect on the Balance Sheet. Implementation will not be required until 1 April 2013.

5. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out above, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for local government. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.
- Included in the Balance Sheet for Property, Plant and Equipment for 2011/12 and 2012/13 are the values for maintained schools. A table at page 38 sets out the types of maintained school and the valuation included in the Authority's Balance Sheet as at 31 March 2013. Currently there is no definitive CIPFA guidance as to how these assets are to be shown in the accounts.

6. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR 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 taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Authority's Balance Sheet at 31 March 2013 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Property, Plant and Equipment

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. Useful asset lives will impact on depreciation calculations.

Provisions

Provisions are included in the accounts for Single Status and Municipal Mutual Insurance liability using current information.

Debtors

Sundry and council tax debtors were examined which resulted in a provision for doubtful debts. If the provision is too low, the Authority's finances would be affected.

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of actuaries are engaged to provide the Cardiff Pension Authority with expert advice about the assumptions to be applied.

7. EVENTS AFTER THE BALANCE SHEET

The audited Statement of Accounts was authorised for issue by the Head of Financial Services (Section 151 Officer) on the 9th September 2013. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2013, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

8. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

	Usable Reserves (£,000)				£,000
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied.	
2011/12					
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement					
Charges for depreciation and impairment of non-current assets	12,955	9,573	0	0	(22,528)
Revaluation (surplus)/ deficit on Property Plant and Equipment	276	(68,996)	0	0	68,720
Amortisation of intangible assets	209	0	0	0	(209)
Capital grants and contributions applies	(6,051)	(2,700)	0	0	8,751
Revenue expenditure funded from capital under statute	311	0	0	0	(311)
Amounts of non current assets written off on disposal or sale as part of the gains/loss on disposal to the Comprehensive Income and Expenditure Statement	339	79	0	0	(418)
Insertion of items not debited / credited to the Comprehensive Income and Expenditure Statement:					
Statutory provision for the financing of capital investment	(4,553)	(42)	0	0	4,595
Capital expenditure charged against the General Fund and HRA balances	(2,982)	(828)	0	0	3,810
Adjustments primarily involving the Capital Grants Unapplied Account:					
Capital Grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(227)	0	0	227	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	(358)	358
Adjustments primarily involving the Capital Receipts Reserve:					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(380)	(79)	497	0	(38)
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	(1,953)	0	1,953
Transfer from deferred Capital Receipts Reserve upon receipt of cash	0	0	72	0	0
Adjustments primarily involving the Deferred Capital Receipts Reserve:					
Transfer to Capital Receipts Reserve upon receipt of cash	0	0	0	0	(72)
Adjustments primarily involving the Financial Instruments Adjustment Account:					
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(5)	0	0	0	5
Adjustments primarily involving the Pensions Reserve:					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	57,669	181	0	0	(57,850)
Employer's pensions contributions and direct payments to pensions payable in the year	(11,671)	(149)	0	0	11,820
Adjustments primarily involving the Accumulated Absences Account:					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	762	(5)	0	0	(757)
Total Adjustments	46,652	(62,966)	(1,384)	(131)	17,829

8. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

	Usable		Reserves	(£,000)	£,000
	Council Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
2012/13					
Adjustments primarily involving the Capital Adjustment Account:					
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement					
Charges for depreciation and impairment of non-current assets	11,968	10,692	0	0	(22,660)
Revaluation (surplus)/ deficit on Property Plant and Equipment	(63)	(303)	0	0	366
Amortisation of intangible assets	138	0	0	0	(138)
Capital grants and contributions applies	(9,943)	(2,800)	0	0	12,743
Revenue expenditure funded from capital under statute	9,140	0	0	0	(9,140)
Amounts of non current assets written off on disposal or sale as part of the gains/loss on disposal to the Comprehensive Income and Expenditure Statement	2,480	588	0	0	(3,068)
Insertion of items not debited / credited to the Comprehensive Income and Expenditure Statement:					
Statutory provision for the financing of capital investment	(4,638)	(39)	0	0	4,677
Capital expenditure charged against the General Fund and HRA balances	(11,824)	(5,538)	0	0	17,362
Adjustments primarily involving the Capital Grants Unapplied Account:					
Capital Grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(192)	0	0	192	0
Application of grants to capital financing transferred to the Capital Adjustment Account	0	0	0	(227)	227
Adjustments primarily involving the Capital Receipts Reserve:					
Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(1,731)	(588)	2,337	0	(18)
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0	(634)	0	634
Transfer from deferred Capital Receipts Reserve upon receipt of cash	0	0	54	0	0
Adjustments primarily involving the Deferred Capital Receipts Reserve:					
Transfer to Capital Receipts Reserve upon receipt of cash	0	0	0	0	(54)
Adjustments primarily involving the Financial Instruments Adjustment Account:					
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(4)	0	0	0	4
Adjustments primarily involving the Pensions Reserve:					
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	46,499	241	0	0	(46,740)
Employer's pensions contributions and direct payments to pensions payable in the year	(12,077)	(173)	0	0	12,250
Adjustments primarily involving the Accumulated Absences Account:					
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(1,099)	7	0	0	1,092
Total Adjustments	28,654	2,087	1,757	(35)	(32,463)

9. TRANSFERS TO/FROM EARMARKED RESERVES

This sets out the amounts set aside from the Council Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet Council Fund and HRA expenditure in 2012/13

		1 April 2011 £,000	Tfr In £,000	Tfr Out £,000	31 March 2012 £,000	Tfr In £,000	Tfr Out £,000	31 March 2013 £,000
	Council Fund							
a.	School Reserves	3,953	0	456	3,497	0	198	3,299
b.	Computer Renewal	2,808	657	384	3,081	2,543	1,386	4,238
c.	Donation Fund	45	12	6	51	8	12	47
d.	Capital Fund	130	158	0	288	0	0	288
e.	Early Retirement Fund	3,312	0	1,500	1,812	0	0	1,812
f.	Project Fund	4,555	976	0	5,531	94	0	5,625
g.	Corporate Governance	738	0	400	338	0	0	338
h.	Repairs and Renewals	1,439	667	328	1,778	1,375	976	2,177
i.	Visible Services Reserve	3,762	1,828	777	4,813	1,700	986	5,527
j.	School Strategy Investment	4,470	850	2,196	3,124	2,042	85	5,081
k.	Council Building Fund	5,831	828	150	6,509	3,533	2,045	7,997
l.	Events	466	500	194	772	250	256	766
m.	Waste Management	1,500	0	1,500	0	0	0	0
n.	Schools Invest to Save	456	0	333	123	0	57	66
o.	Housing (General Fund)	336	15	336	15	0	0	15
p.	Library	112	0	0	112	2	0	114
q.	Planning Enquiries	59	0	0	59	0	0	59
r.	Catering	114	0	6	108	0	0	108
s.	Public Protection	698	38	9	727	151	7	871
t.	Energy Management	401	218	299	320	0	48	272
u.	Other	3,003	33	361	2,675	167	342	2,500
v.	Leisure Management Strategy	2,162	0	0	2,162	0	1,104	1,058
w.	Building Control	(20)	4	0	(16)	37	0	21
x.	E Government	6,042	0	6,042	0	0	0	0
y.	Single Status	2,500	0	0	2,500	0	288	2,212
z.	Finance ICT	566	0	566	0	0	0	0
aa.	Chief Executive	710	29	0	739	75	4	810
ab.	Personnel	129	68	0	197	0	0	197
ac.	Insurance Fund	1,301	0	277	1,024	0	298	726
ad.	Schools Long Term Sickness	639	154	0	793	0	0	793
ae.	Schools Rationalisation	978	0	0	978	0	0	978

	Cont'd	1 April	Tfr	Tfr	31	Tfr	Tfr	31
		2011	In	Out	March	In	Out	March
		£,000	£,000	£,000	£,000	£,000	£,000	£,000
af.	Urban Development Plan	113	0	0	113	0	113	0
ag.	Bad Weather	550	0	0	550	0	0	550
ah.	Glamorgan Record Office	80	0	0	80	0	8	72
ai.	Invest to Save	2,090	0	2,090	0	0	0	0
aj.	Welfare Reforms	0	588	0	588	109	0	697
	Total	56,028	7,623	18,210	45,441	12,086	8,213	49,314
	HRA							
ak.	Housing Repairs	751	0	751	0	0	0	0
al.	Housing Revenue Account	11,375	3,506	0	14,881	0	1,311	13,570
		12,126	3,506	751	14,881	0	1,311	13,570

a. Schools Reserve

Under Local Government Management of Schools, schools are able to carry forward Surpluses and Deficits. These are committed to be spent on schools and are not available for general use.

b. Computer Renewal

This is a fund set aside to meet computer renewals required by the Authority.

c. Donation Fund

This represents donations received for Heritage Coast and Road Safety.

d. Capital Fund

This fund will be used for smaller schemes.

e. Early Retirement Fund

This represents an amount set aside to meet future costs of early retirement scheme.

f. Project Fund

This fund is to finance future capital projects.

g. Corporate Governance

This reserve has been set aside in respect of the Modernising Local Government Agenda.

h. Repairs and Renewal Funds

This Authority maintains a repairs and renewal fund primarily for the replacement of plant and vehicles.

i. Visible Services

The fund is available to be used to improve Visible Services.

j. School Strategy Investment

The fund is available in respect of improvements to Schools and Education Buildings.

k. Council Building Fund

The fund is available in respect of repairs and maintenance of Council Buildings.

l. Events

To provide funds to promote the Vale of Glamorgan particularly in respect of tourism and economic development.

m. Waste Management

Reserve no longer required.

n. Schools Invest to Save

To pump prime initiatives in schools to deliver revenue efficiencies.

o. Housing (General Fund)

To contribute to the cost of a prison leavers housing advisor.

p. Library

To provide funds to make improvements in the Library Service, books, materials etc.

q. Planning Enquiries

Monies set aside to accommodate the costs of any future major planning enquiries.

r. Catering

To provide funds to make improvements to the Catering function provided in the Vale.

s. Public Protection

Monies set aside for Development of a Licensing Policy and Health and Safety Enforcement issues.

t. Energy Management

Services repay the cost (plus a 4% interest charge) to the Fund from energy savings so that the money can be recycled.

u. Other

Various amounts set aside for education, election and community service issues.

v. Leisure Management Strategy

To finance future developments in Leisure facilities.

w. Building Control

Monies set aside to meet any future deficits on the Building Control service.

x. E Government

Reserve no longer required.

y. Single Status

This Reserve has been set aside to assist in covering costs associated with the implementation of single status and job evaluation.

z. Finance ICT

Reserve no longer required.

aa. Chief Executive

To fund the purchase of hardware, software and equipment.

ab. Personnel

To fund temporary Job Analyst posts, Temporary Personnel Officers and Corporate Training and Child Care Vouchers.

ac. Insurance Fund

This Reserve covers an estimate of potential claims (those estimated to have occurred but not reported as at 31 March 2013). These would include claims for public and employers liability, motor vehicle, buildings insurance costs.

ad. Schools Long Term Sickness

This Reserve will be used to cover potential long term sickness costs.

ae. Schools Rationalisation

To meet initial costs of school restructuring that falls on the Local Education Authority.

af. Urban Development Plan

Reserve no longer required.

ag. Bad Weather

This Reserve will be used to fund costs due to bad weather conditions.

ah. Glamorgan Record Office

To fund expenditure at the Record Office.

ai. Invest to Save

Reserve no longer required.

aj. Welfare Reforms

To fund pressures on the Authority resulting from Welfare Reforms.

ak. Housing Repairs

Balance transferred to Housing Revenue Account balance.

al. Housing Revenue Account

The Authority maintains a Housing Revenue Account. This reserve is ring fenced by statute for use by the Housing Revenue Account.

10. OTHER OPERATING EXPENDITURE

2011/12		2012/13
£,000		£,000
2,102	Parish Council Precepts	2,156
15,126	Levies	15,566
(41)	Gains/losses on the disposal of non-current assets	749
17,187		18,471

The make up of payments to Town and Community Councils is shown below.

	2011/12	2012/13
	£	£
Barry	891,651	911,040
Colwinston	2,710	3,288
Cowbridge with Llanblethian	130,169	131,862
Dinas Powys	91,170	91,170
Ewenny	11,779	11,779
Llancarfan	4,500	4,500
Llandough	35,520	37,727
Llandow	6,000	6,800
Llanfair	3,437	3,437
Llangan	9,168	9,984
Llan-Maes	6,562	7,241
Llantwit Major	210,820	214,590
Michaelston	5,076	5,292
Penarth	507,818	529,270
Pendoylan	6,000	6,000
Penllyn	9,000	9,000
Peterston-S-Ely	8,000	8,000
St. Athan	26,410	24,516
St. Brides Major	13,000	12,000

Cont'd	2011/12	2012/13
	£	£
St. Donats	3,800	3,247
St. Georges and St. Brides – S-Ely	3,000	3,000
St. Nicholas and Bonvilston	6,324	6,372
Sully	76,086	81,955
Welsh St. Donats	5,500	5,000
Wenvoe	25,500	25,500
Wick	3,254	3,254
Total	2,102,254	2,155,824

11. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2011/12		2012/13
£,000		£,000
5,732	Interest payable and similar charges	5,701
3,890	Pensions interest cost and expected return on pensions assets	4,710
(334)	Interest receivable and similar income	(379)
(178)	Other income	(122)
9,110	Total	9,910

12. TAXATION AND NON SPECIFIC GRANT INCOMES

2011/12		2012/13
£,000		£,000
(62,946)	Council Tax income	(64,867)
(28,951)	Non domestic rates	(33,507)
(121,681)	Revenue Support grants	(117,668)
(8,978)	Capital grants and contributions	(12,935)
(222,556)	Total	(228,977)

13. PROPERTY, PLANT AND EQUIPMENT – 31 MARCH 2013

Assets	Council Dwelling	Other Land & Bldgs	Vehicle Plant & Equipt	Infra-Struct	Comm Asset	Assets under Const.	Total
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Cost or Valuation as at 1 April 2012	165,366	326,706	18,329	73,158	3,860	0	587,419
Additions	9,036	5,122	1,850	6,173	0	5,688	27,869
Acc Dep & Imp WO to GCA	0	(71)	0	0	0	0	(71)
Reval'n increases/ decreases recognised in reval'n reserve	300	63	0	0	0	0	363
Reval'n increases/ decreases recognised in surplus/(deficit) in provision of services	0	0	0	0	0	0	0
Derecog. - disposals	(588)	(145)	(428)	0	0	0	(1,161)
Transfers	0	0	0	0	0	0	0
Reclassified held for sale	0	0	0	0	0	0	0
Derecog - other	(9,036)	(4,053)	0	0	0	0	(13,089)
At 31 March 2013	165,078	327,622	19,751	79,331	3,860	5,688	601,330
Accum. Deprec'n and Impairment as at 1 April 2012	(9)	(11,090)	(13,376)	(14,186)	0	0	(38,661)
Deprec'n	(1,654)	(4,571)	(1,561)	(1,785)	0	0	(9,571)
Deprec'n written out	0	71	0	0	0	0	71
Derecog. - disposals	3	0	428	0	0	0	431

Assets cont'd	Council Dwelling	Other Land & Bldgs	Vehicle Plant & Equipt	Infra-Struct	Comm Asset	Assets under Const.	Total
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Deprec'n reversals recognised in the Revaluation Reserve	0	0	0	0	0	0	0
At 31 March 2013	(1,660)	(15,590)	(14,509)	(15,971)	0	0	(47,730)

Net Book Value £,000

At 31 March 2013	163,418	312,032	5,242	63,360	3,860	5,688	553,600
At 31 March 2012	165,357	315,616	4,953	58,972	3,860	0	548,758

PROPERTY, PLANT AND EQUIPMENT – 31 MARCH 2012

Assets	Council Dwelling	Other Land & Bldgs	Vehicle Plant & Equipt	Infra-Struct	Comm Asset	Assets under Const.	Total
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Cost or Valuation as at 1 April 2011	105,909	324,834	17,253	68,520	3,855	210	520,581
Additions	5,658	8,155	1,136	4,638	5	0	19,592
Acc Dep & Imp WO to GCA	(7,405)	0	0	0	0	0	(7,405)
Revaluation increases/decreases recognised in revaluation reserve	69,298	(578)	0	0	0	0	68,720
Revaluation increases/decreases recognised in the Surplus/Deficit on the provision of services	(2,473)	(124)	0	0	0	0	(2,597)

PROPERTY, PLANT AND EQUIPMENT – 31 MARCH 2012 cont'd							
	Council Dwelling	Other Land & Bldgs	Vehicle Plant & Equipt	Infra- Struct	Comm Asset	Assets under Const.	Total
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Derecogniti on - disposals	(79)	(347)	(60)	0	0	0	(486)
Transfers	116	94	0	0	0	(210)	0
Reclassified held for sale	0	(99)	0	0	0	0	(99)
Derecog - other	(5,658)	(5,229)	0	0	0	0	(10,887)
At 31 March 2012	165,366	326,706	18,329	73,158	3,860	0	587,419
Accum. Deprec'n and Impairment as at 1 April 2011	(6,357)	(6,572)	(11,650)	(12,517)	0	0	(37,096)
Deprec'n	(1,059)	(4,530)	(1,786)	(1,669)	0	0	(9,044)
Deprec'n written out	7,405	0	0	0	0	0	7,405
Derecog. - disposals	2	12	60	0	0	0	74
Deprec'n reversals recognised in the Revaluation Reserve	0	0	0	0	0	0	0
At 31 March 2012	(9)	(11,090)	(13,376)	(14,186)	0	0	(38,661)

Net Book Value £,000

**At 31 March
2012** **165,357** **315,616** **4,953** **58,972** **3,860** **0** **548,758**

**At 31 March
2011** **99,552** **318,262** **5,603** **56,003** **3,855** **210** **483,485**

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

Indicative asset lives are as follows:

Council Dwellings - 100 years

Other Land and Buildings - 3 years to 125 years

Vehicles, Plant and Equipment 3 years to 11 years

Infrastructure - 40 years

Capital Commitments

At 31 March 2013, the Authority has entered into a number of contracts for the construction, or enhancement of property, plant and equipment in 2013/14 and future years. The major commitments are listed below:-

Scheme	£'000
Penarth Community Centre	32,843
Castleland Renewal Area Phase 2E	217
Parkwood Leisure-provision of leisure services	193
Alexandra Gardens Community Centre re-build	118
Total	33,371

Revaluations

The Council Dwellings and Other Land and Buildings etc are revalued on a rolling 5 year programme normally by a MRICS external valuer. In accordance with this programme no external revaluations were required to take place during this financial year. An internal desktop review of the valuation of the Authority's Council Dwellings and Other Land and Buildings etc as at 31 March 2013 was carried out; the results of this review was that no amendments to the figures were required.

Schools

The Authority has the following maintained Schools:

	Voluntary Controlled		Voluntary Aided		Foundation	
	31.3.12	31.3.13	31.3.12	31.3.13	31.3.12	31.3.13
Number of Schools excl PFI	3	3	10	11	2	1
Value of Land and Buildings - £	3,429,346	3,411,495	6,917,050	6,917,050	38,334,260	17,952,429

Retentions - As at the 31 March 2013 £483,000 (£463,000 as at 31 March 2012) has been deducted from payments to contractors to protect the Authority from situations such as the contractor going bankrupt during the defects liability period. Normally a proportion of the retention is paid on practical completion; the balance following the defects liability period stipulated in the contract, subject to any defects being made good.

Dyffryn House and Gardens remains on Balance Sheet, operation transfers to the National Trust for a period of 99 years for a peppercorn rent.

The Authority has reviewed its assets and given consideration to the presentation of those assets that would have a heritage connection. Those heritage assets currently included in operational assets will be maintained under this classification. In addition the Authority holds a number of items that can be grouped under the heading 'civic regalia'; they are used on ceremonial occasions during the Council's

year. There is no known value for 'civic regalia' as at 31 March 2013 (although it is unlikely to be significant). It was felt that any external valuation costs of 'civic regalia' would not be cost effective compared to the benefits to the users of the Authority's financial statement. Taking account of this 'civic regalia' has not been recognised as a Heritage Asset in the Balance Sheet.

14. ASSETS HELD FOR SALE

	Current		Non Current	
	31 March 2012	31 March 2013	31 March 2012	31 March 2013
	£,000	£,000	£,000	£,000
Balance outstanding at start of year	5,486	5,585	0	0
Assets newly classified as held for sale				
Property, Plant and Equipment				
Transfer	99	0	0	0
Disposal	0	(2,335)	0	0
Balance outstanding at year end	5,585	3,250	0	0

15. CAPITAL EXPENDITURE AND CAPITAL FINANCING

	2011/12	2012/13
	£,000	£,000
Opening Capital Financing Requirement	113,443	113,939
PLUS		
Capital Investment		
Property, Plant and Equipment Assets	19,593	27,869
Intangible Assets	38	36
Revenue Expenditure Funded from Capital under Statute	4,806	12,673
LESS		
Sources of Finance		
Capital Receipts	(1,942)	(617)
Government Grants and Other Contributions	(13,575)	(16,502)
Sums set aside from revenue		
Direct Revenue Contributions	(3,810)	(17,362)
Minimum Revenue Provision	(4,614)	(4,703)
Closing Capital Financing Requirement	113,939	115,333

Explanation of movements in year		
Increase in underlying need to borrow	496	1,394
Increase /(decrease) in Capital Financing Requirement	496	1,394

16. INTANGIBLE ASSETS

The Authority accounts for its software as intangible assets. Software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority. The useful lives assigned to the major software suites used by the Authority are 5 years.

The carrying amount of intangible assets is amortised on a straight-line basis. Amortisation of £138,000 was charged to revenue in 2012/13.

The movement on Intangible Asset balances during the year is as follows

	2011/12		2012/13	
	Purchased	Total	Purchased	Total
	Assets		Assets	
	£,000	£,000	£,000	£,000
Balance at start of year				
Gross carrying amounts	2,054	2,054	2,092	2,092
Accum. Amortisation	(1,613)	(1,613)	(1,822)	(1,822)
Net carrying amount at start of year	441	441	270	270
Additions				
Purchases	38	38	36	36
Amortisation	(209)	(209)	(138)	(138)
Net carrying amount at end of year	270	270	168	168

Comprising				
Gross carrying amounts	2,092	2,092	2,128	2,128
Accum. Amortisation	1,822	1,822	(1,960)	(1,960)
Net carrying amount at end of year	270	270	168	168

17. FINANCIAL INSTRUMENTS

	LongTerm		Current	
	31 March 2012	31 March 2013	31 March 2012	31 March 2013
	£,000	£,000	£,000	£,000
Investments				
Loans and receivables	10	10	101,022	85,480
Total Investments	10	10	101,022	85,480
Debtors				
Debtors per Balance Sheet	276	198	21,462	28,474
Adjustment for Statutory Debtors	0	0	(1,484)	(1,634)
Total Debtors	276	198	19,978	26,840
Cash and Cash Equivalents	0	0	313	0
Total Financial Assets	286	208	121,313	112,320
Borrowings				
Financial liabilities at amortised cost	97,646	95,388	6,010	3,704
Total Borrowings	97,646	95,388	6,010	3,704
Creditors				
Creditors per Balance Sheet	0	0	24,511	23,551
Adjustment for Statutory Creditors	0	0	0	0
Total Creditors	0	0	24,511	23,551
Cash and Cash Equivalents	0	0	0	2,354
Total Financial Liabilities	97,646	95,388	30,521	29,609

Income, Expense, Gains and Losses

	2011/12				2012/13			
	Fin. Liabs measur'd at amort cost	Fin Assets: Loans and receive- ables	Fin. Assets: Avail. for sale assets	Total	Fin. Liabs measur'd at amort cost	Fin Assets: Loans and receive- ables	Fin. Assets: Avail. for sale assets	Total
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Interest Expense	(5,732)	0	0	(5,732)	(5,701)	0	0	(5,701)
Total Expense in Surplus or Deficit on the Prov. of Services	(5,732)	0	0	(5,732)	(5,701)	0	0	(5,701)
Interest Income	0	334	0	334	0	379	0	379
Total Income in Surplus or Deficit on the Provision of Services	0	334	0	334	0	379	0	379

Fair Value of Assets and Liabilities

Financial liabilities, financial assets represented by loans and receivables and long term debtors and creditors are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions

- Estimated interest rates at 31 March 2013 are the PWLB / market set of rates in force on that date.
- No early repayment or impairment is recognised.
- Where an instrument will mature in the next 12 months, carrying amount is assumed to be approximate to fair value.
- The fair value of trade and other receivables is taken to be invoiced or billed amount.

The fair values calculated are as follows:

	31 March	31 March	31 March	31 March
	2012	2012	2013	2013
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£,000	£,000	£,000	£,000
Financial Liabilities	97,646	132,537	95,388	132,343

The fair value is higher than the carrying amount because the Authority's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans at the balance sheet date. This commitment to pay interest above current market rates increases the amount that the Authority would have to pay if the lender requested or agreed to early repayment of the loans

18. INVENTORIES

	Consumable Stores		Maint. Materials		Total	Total
	2011/12 £,000	2012/13 £,000	2011/12 £,000	2012/13 £,000	2011/12 £,000	2012/13 £,000
Balance outstanding at start of year	92	92	422	357	514	449
Purchases	1,107	930	1,775	1,820	2,882	2,750
Recognised as an expense in the year	(1,107)	(960)	(1,840)	(1,857)	(2,947)	(2,817)
Balance outstanding at end of year	92	62	357	320	449	382

19. DEBTORS

	31 March 2012	31 March 2013
	£,000	£,000
Central Government bodies	11,665	16,819
Other local authorities	4,145	3,873
NHS bodies	624	168
Public corporations and trading funds	0	1
Other entities and individuals	8,983	11,454
Gross Total	25,417	32,315
Less: Provision for Bad Debts	(3,955)	(3,841)
Total	21,462	28,474

20. CASH AND CASH EQUIVALENTS

The balance of Cash and Cash Equivalents is made up of the following elements:

31 March 2012		31 March 2013
£,000		£,000
96	Cash held by the Authority	92
419	Cash at Bank	786
3,000	Short-term Investment	5,000
3,515	Total	5,878
(3,202)	Bank Overdraft	(8,232)
313	Total Cash and Cash Equivalents	(2,354)

21. CREDITORS The broad categories are : -

	31 March 2012	31 March 2013
	£,000	£,000
Central Government bodies	6,553	6,850
Other local authorities	2,546	2,576
NHS bodies	314	470
Public corporations and trading funds	177	142
Other entities and individuals	14,921	13,513
Total	24,511	23,551

22. PROVISIONS (Short and Longer Term)

	Legal Claim	Insurance	MMI	Single Status	Social Servs. Plan	Dyffryn	Other	Total
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Balance at 1 April 2011	4,026	2,714	0	4,988	0	0	1,939	13,667
Additional provisions made in 2011/12	0	434	0	3,360	4,800	7,205	1,265	17,064
Amounts used in 2011/12	0	0	0	0	0	0	158	158
Balance at 1 April 2012	4,026	3,148	0	8,348	4,800	7,205	3,046	30,573
Additional provisions made in 2012/13	0	514	160	0	815	37	5,259	6,785
Amounts used / Tfr.out in 2012/13	1,700	0	0	7,892	0	7,205	2,269	19,066
Balance at 31 March 2013	2,326	3,662	160	456	5,615	37	6,036	18,292

a. Legal Claim

There are currently several significant potential and ongoing legal cases related to Social Services. A reasonable assessment of costs has been made and a provision.

b. Insurance

This provision covers all known claims as at 31 March 2013. These include provisions for public and employers liability (Authority liability up to £75,000 per claim), motor vehicle (Authority liability up to £2,500 per claim 'own damage only'), buildings (Authority liability up to £75,000 for Schools per claim, up to £5,000 for each Council House / Flat claim and up to £10,000 for all other general property

claims), plus a number of risks insured internally, which cannot be covered economically by conventional external insurance.

c. MMI

The Directors of MMI triggered the Scheme of Arrangement after it became clear that a solvent run-off was not able to be achieved. Ernst and Young were appointed as Scheme administrators and have set an initial levy rate of 15% which has been provided in the Accounts in the amount of £160k. Further information is included within note 40 - Contingent Liability.

d. Single Status

These monies are in respect of equal pay / job evaluation liabilities at the balance sheet date.

e. Social Services Plan

These monies support the agreed Social Services plan to achieve a balanced budget over a number of years.

f. Dyffryn

Outstanding sums following the transfer of the running of Dyffryn to an external organisation

g. Other

Included within this figure is a sum of £2.639 million for the ongoing liabilities of Social Services and £454,000 in respect of the Leisure Partnership contract.

23. USABLE RESERVES

Movements in the Authority's usable reserves are detailed in the Movement in Reserves Statement.

24. UNUSABLE RESERVES

31 March 2012		31 March 2013
£,000		£,000
129,733	Revaluation Reserve	128,085
311,069	Capital Adjustment Account	313,702
(131)	Financial Instruments Adjustment Account	(127)
85	Deferred Capital Receipts Reserve	31
(212,680)	Pensions Reserve	(247,170)
(3,235)	Accumulated Absences Account	(2,143)
224,841	Total Unusable Reserves	192,378

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from its property, Plant and Equipment (and Intangible Assets).

The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2011/12		2012/13
£,000		£,000
61,867	Balance at 1 April	129,733
69,300	Upward revaluation of assets	366
(578)	Previous losses charged to Provision of Services now set off against subsequent revaluation surpluses	0
(806)	Difference between fair value depreciation and historical cost depreciation	(1,711)
(50)	Amount written off to the Capital Adjustment Account	(303)
129,733	Balance at 31 March	128,085

Capital Adjustment Account

The Capital Adjustment Account 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 also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

2011/12		2012/13
£,000		£,000
314,253	Balance at 1 April	311,069
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement	
(22,528)	Charges for depreciation and impairment of non current assets	(22,660)
(209)	Amortisation of intangible assets	(138)
(311)	Revenue expenditure funded from capital under statute	(9,140)
(368)	Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(2,766)
794	Other (Adjusting amounts written out of the Revaluation Reserve etc)	1,694
	Capital financing applied in year:	
1,953	Use of the Capital Receipts Reserve to finance new capital expenditure	634
2,700	Use of the Major Repairs Reserve to finance new capital expenditure	2,800
6,022	Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	9,943
358	Application of grants to capital financing from the Government Grants Unapplied Account	227
4,595	Statutory provision for the financing of capital investment charged against the Council Fund and HRA balances	4,677
3,810	Capital Expenditure charged against the Council Fund and HRA balances	17,362
311,069	Balance at 31 March	313,702

Financial Instruments Adjustment Account

The financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

2011/12		2012/13
£,000		£,000
(136)	Balance at 1 April	(131)
5	Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	4
(131)	Balance at 31 March	(127)

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.

2011/12		2012/13
£,000		£,000
(166,650)	Balance at 1 April	(212,680)
(44,350)	Actuarial gains or losses on pensions assets and liabilities	(30,980)
(13,500)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(15,760)
11,820	Employer's pension contributions and direct payments to pensioners payable in the year	12,250
(212,680)	Balance at 31 March	(247,170)

Deferred Capital Receipts Reserve

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the Capital Receipts Reserve.

2011/12		2012/13
£,000		£,000
157	Balance at 1 April	85
(72)	Transfer to the Capital Receipts Reserve upon receipt of cash	(54)
85	Balance at 31 March	31

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the Council Fund Balance from accruing for compensated absences earned but not taken in the year ie annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the Council Fund Balance is neutralised by transfers to or from the Account.

2011/12		2012/13
£,000		£,000
(2,478)	Balance at 1 April	(3,235)
(3,235)	Amounts accrued at the end of the current year	(2,143)
2,478	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accrual basis is different from remuneration chargeable in the year in accordance with statutory requirements.	3,235
(3,235)	Balance at 31 March	(2,143)

25. CASH FLOW STATEMENT-OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

2011/12		2012/13
£,000		£,000
286	Interest Received	367
5,763	Interest Paid	5,809

26. CASH FLOW STATEMENT - INVESTING ACTIVITIES

2011/12		2012/13
£,000		£,000
(19,630)	Purchase of property, plant and equipment, investment property and intangible assets	(27,905)
(3,179)	Other payments for investing activities	0
533	Proceeds from sale of property, plant and equipment, investment property and intangible assets	2,319
14,216	Other receipts from investing activities	32,404
(8,060)	Net cash flows from investing activities	6,818

27. CASH FLOW STATEMENT – FINANCING ACTIVITIES

2011/12		2012/13
£,000		£,000
10,200	Other receipts from financing activities	(4,510)
(907)	Repayments of short and long-term borrowing	(4,456)
9,293	Net cash flows from Financing activities	(8,966)

28. AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS

The analysis of income and expenditure by 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's Cabinet on the basis of budget reports analysed across directorates. These reports are prepared on a different basis from the accounting policies used in the financial statements and are based on the Council's current structure.

The income and expenditure of the Authority's principal Directorates recorded in the final report for the year is as follows:

Directorate Income and Expenditure - 2012/13			
	Learning & Development	Social Services	Total
	£,000	£,000	£,000
Fees , Charges & Other Service Income	(10,237)	(4,935)	(15,172)
Government & Other Grants	(16,849)	(3,680)	(20,529)
Total Income	(27,086)	(8,615)	(35,701)
Employee Expenses	90,058	16,635	106,693
Other Service Expenses	32,468	40,923	73,391
Total Expenditure	122,526	57,558	180,084
Net Expenditure	95,440	48,943	144,383

Directorate Income and Expenditure – 2011/12			
	Learning & Development	Social Services	Total
	£,000	£,000	£,000
Fees , Charges & Other Service Income	(10,030)	(4,003)	(14,033)
Government & Other Grants	(15,612)	(3,495)	(19,107)
Total Income	(25,642)	(7,498)	(33,140)
Employee Expenses	88,864	15,644	104,508
Other Service Expenses	30,873	40,058	70,931
Total Expenditure	119,737	55,702	175,439
Net Expenditure	94,095	48,204	142,299

Reconciliation of Income and Expenditure to Cost of Services in the Comprehensive Income and Expenditure Statement

This reconciliation shows how the figures in the analysis of Directorate income and expenditure relate to the amounts included in the Comprehensive Income and Expenditure Statement.

	2011/12	2012/13
	£,000	£,000
Net Expenditure in the Directorate Analysis	142,299	144,383
Net Expenditure in services & support services not included in the Analysis	55,596	58,149
Amounts in the Comprehensive Income & Expenditure Statement not reported to management in the Analysis	37,300	46,602
Amounts included in the Analysis not included in the Comprehensive Income & Expenditure Statement	(23,183)	(52,808)
Cost of Services in Comprehensive Income and Expenditure Statement	212,012	196,326

**Reconciliation to Subjective Analysis
2012/13**

	Directorate Analysis	Services not Analysed	Amounts not reported for decision making	Amounts not included in I+E	Cost of Services	Corporate Amounts	TOTAL
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Fees, Charges & Other Service Income	(15,172)	(40,306)	0	0	(55,478)	0	(55,478)
Interest and Investment Income	0	(379)	0	379	0	(379)	(379)
Income from Council Tax	0	0	0	0	0	(64,867)	(64,867)
Government & Other Grants	(20,529)	(61,887)	0	0	(82,416)	(164,110)	(246,526)
Surplus on Trading not included in Net Cost of Service	0	(122)	0	122	0	(122)	(122)
Council Tax Surplus	0	(1,480)	0	1,480	0	0	0
Total Income	(35,701)	(104,174)	0	1,981	(137,894)	(229,478)	(367,372)
Employee Expenses	106,693	50,466	(1,092)	(12,250)	143,817	0	143,817
Other Service Expenses	73,391	64,250	55,880	(25,912)	167,609	0	167,609
Depreciation, Amortisation & Impairment	0	0	22,798	0	22,798	0	22,798
Soft Loans	0	0	(4)	0	(4)	0	(4)
Interest Payments	0	5,701	0	(5,701)	0	5,701	5,701
Precepts and Levies	0	6,216	0	(6,216)	0	17,722	17,722
Gains and Loss on Disposal of Fixed Assets	0	0	0	0	0	749	749
Pension interest costs & expected return on pension assets	0	4,710	0	(4,710)	0	4,710	4,710
Actuarial gain/loss on pension assets/liabilities	0	30,980	(30,980)	0	0	0	0
Total Expenditure	180,084	162,323	46,602	(54,789)	334,220	28,882	363,102
(Surplus) or Deficit on the Provision of Services	144,383	58,149	46,602	(52,808)	196,326	(200,596)	(4,270)

Reconciliation to Subjective Analysis 2011/12							
	Directorate Analysis	Services not Analysed	Amounts not reported for decision making	Amounts not included in I+E	Cost of Services	Corporate Amounts	TOTAL
	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Fees, Charges & Other Service Income	(14,033)	(43,244)	0	0	(57,277)	0	(57,277)
Interest and Investment Income	0	(334)	0	334	0	(334)	(334)
Income from Council Tax	0	0	0	0	0	(62,946)	(62,946)
Government & Other Grants	(19,107)	(59,819)	0	0	(78,926)	(159,610)	(238,536)
Surplus on Trading not included in Net Cost of Service	0	(178)	0	178	0	(178)	(178)
Council Tax Surplus	0	(1,050)	0	1,050	0	0	0
Total Income	(33,140)	(104,625)	0	1,562	(136,203)	(223,068)	(359,271)
Employee Expenses	104,508	52,842	757	(11,820)	146,287	0	146,287
Other Service Expenses	70,931	47,171	58,161	2,933	179,196	0	179,196
Depreciation, Amortisation & Impairment	0	0	22,737	0	22,737	0	22,737
Soft Loans	0	0	(5)	0	(5)	0	(5)
Interest Payments	0	5,732	0	(5,732)	0	5,732	5,732
Precepts and Levies	0	6,236	0	(6,236)	0	17,228	17,228
Gains and Loss on Disposal of Fixed Assets	0	0	0	0	0	(41)	(41)
Pension interest costs & expected return on pension assets	0	3,890	0	(3,890)	0	3,890	3,890
Actuarial gain/loss on pension assets/liabilities	0	44,350	(44,350)	0	0	0	0
Total Expenditure	175,439	160,221	37,300	(24,745)	348,215	26,809	375,024
(Surplus) or Deficit on the Provision of Services	142,299	55,596	37,300	(23,183)	212,012	(196,259)	15,753

29. TRADING OPERATIONS

The Authority has a number of operations which are treated as trading. Details of their Expenditure and Income are shown below:

BUILDING MAINTENANCE SUMMARY REVENUE AND APPROPRIATION ACCOUNT

	2011/12 £	2012/13 £
TOTAL EXPENDITURE	5,831,443	7,503,316
TOTAL INCOME	(5,834,485)	(7,539,240)
(SURPLUS)/ DEFICIT	(3,042)	(35,924)

Building Maintenance provides a scheduled and responsive building maintenance for the Council's residential properties and public buildings.

VALE CATERING SUMMARY REVENUE AND APPROPRIATION ACCOUNT

	2011/12 £	2012/13 £
TOTAL EXPENDITURE	2,639,739	2,520,132
TOTAL INCOME	(2,752,357)	(2,618,677)
(SURPLUS)/ DEFICIT	(112,618)	(98,545)

Provision of a catering service to the pupils at the majority of Schools within the Vale, and the provision of a canteen and catering function service.

BUILDING CLEANING SUMMARY REVENUE AND APPROPRIATION ACCOUNT

	2011/12 £	2012/13 £
TOTAL EXPENDITURE	2,434,528	2,484,286
TOTAL INCOME	(2,452,649)	(2,465,761)
(SURPLUS)/ DEFICIT	(18,121)	18,525

No capital financing charge on capital employed is included in the figures.

Building Cleaning provides a scheduled and responsive building cleaning service for the Council's residential properties and public buildings.

**CARETAKING/SECURITY
SUMMARY REVENUE AND APPROPRIATION ACCOUNT**

	2011/12	2012/13
	£	£
TOTAL EXPENDITURE	996,726	1,064,540
TOTAL INCOME	(1,040,153)	(1,070,825)
(SURPLUS)/ DEFICIT	(43,427)	(6,285)

No capital financing charge on capital employed is included in the figures.

Caretaking/Security provides a scheduled and responsive security service for the Council's residential properties and public buildings.

30. AGENCY SERVICES

The Council carries out certain work on an agency basis for which it is fully reimbursed.

The principal areas of work is an arrangement to pay the salaries and wages on behalf of the following organisations. In 2012/13 this amounted to:-

	2011/12	2012/13
	£,000	£,000
Cowbridge with Llanblethian Town Council	86	87
Citizens Advice Bureau	391	516
Vale Council for Voluntary Services	263	310
St. Josephs After School Club	5	0
Bear Park After School Club	65	66
Dinas Powys Voluntary Concern	6	11
Evenlode Breakfast Club	20	20

31. MEMBERS ALLOWANCES

The Authority paid the following amounts to members of the Council during the year

	2011/12	2012/13
	£,000	£,000
Salaries	651	621
Allowances	291	218
Expenses	8	5
Total	950	844

32. PUBLICITY

Section 5 of the Local Government Act 1986 requires a Local Authority to keep a separate account of expenditure on publicity.

The Council's spending on publicity is as follows:-

2011/12 £,000		2012/13 £,000
141	Recruitment Advertising	130
222	Other Advertising	210
3	Other Publicity (Public Relations)	1
366		341

33. BUILDING CONTROL TRADING ACCOUNT

The Local Authority Building Control Regulations require the disclosure of information regarding the setting of charges for the administration of the building control function. However, certain activities performed by the Building Control Unit cannot be charged for, such as providing general advice and liaising with other statutory authorities. The statement below shows the total cost of operating the building control unit divided between the chargeable and non-chargeable activities.

Building Regulations Charging Account	Chargeable 2012/13 £,000	Non-Chargeable 2012/13 £,000	Total Building Control 2012/13 £,000
Expenditure			
Employee Expenses	139	69	208
Transport	11	5	16
Supplies and Services	17	8	25
Central and Support Service Charges	95	68	163
Total Expenditure	262	150	412
Income			
Building Regulation Charges	296	0	296
Other Grant Income	3	0	3
Total Income	299	0	299
(Surplus)/Deficit for Year	(37)	150	113
Previous Year			
Expenditure	262	178	440
Income	266	0	266
(Surplus) / Deficit for year	(4)	178	174

The surplus on the chargeable element of the service has been transferred to the Building Control Reserve.

34. EXTERNAL AUDIT COSTS

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and non-audit services provided by the Authority's external auditors.

	2011/12	2012/13
	£,000	£,000
Fees payable to the Wales Audit Office / Grant Thornton with regard to external audit services carried out by the appointed auditor.	148	148
Fees payable to the Wales Audit Office in respect of statutory inspection and performance	134	133
Fees payable to the Grant Thornton for the certification of grant claims and returns	60	50
	342	331

35. EMPLOYEES EMOLUMENTS

The Returning Officer's remuneration is not included in the table below for 2012/13 accounts and the 2011/12 comparatives. Any such remuneration was included in the equivalent table in the 2011/12 accounts.

The number of employees whose remuneration excluding employers pension contributions was £60,000 or more in bands of £5,000 were:

Remuneration Band	2011/12	2012/13
	Number of Employees	Number of Employees
£60,000-£64,999	15	11
£65,000-£69,999	9	12
£70,000-£74,999	17	14
£75,000-£79,999	2	7
£80,000-£84,999	1	4
£85,000-£89,999	1	0
£90,000-£94,999	1	0
£95,000-£99,999	1	2
£100,000-£104,999	0	1
£105,000-£109,999	6	3
£120,000-£124,999	0	1
£145,000-£149,999	1	0

The number of employees above exclude Teaching positions employed by their Governing Body.

The remuneration bands include expenses chargeable to United Kingdom income tax.

2011/12 Senior Officers Emoluments – Salary is £150,000 or more per year

Post Holder Information (Post Title and name)	Salary	Expense Allowances	Total Remuneration excluding pension contributions	Pension Contributions
	£	£	£	£
N/A				

2011/12 Senior Officers Emoluments – Salary is between £60,000 and £150,000 per year

Post Holder Information (Post Title)	Note	Salary	Expense Allowances	Total Remuneration excluding pension contributions	Pension Contributions
		£	£	£	£
Chief Executive	1	146,412	1,190	147,602	31,479
Director of -					
Legal, Public Protection and Housing		108,067	1,136	109,203	23,235
Learning and Development*	2	107,855	0	107,855	23,189
Environmental and Economic Regeneration		107,855	1,254	109,109	23,189
Finance, ICT and Property		107,855	1,136	108,991	23,189
Social Services		107,855	299	108,154	23,189

1. In addition to the salary figure above for the Chief Executive, a sum of £10,508 in respect of remuneration as Returning Officer was paid.

2. The post holder was seconded to the Joint Education Service (JES) at the end of the year. JES will reimburse future costs to the Authority

2012/13 Senior Officers Emoluments – Salary is £150,000 or more per year

Post Holder Information (Post Title and name)	Note	Salary	Expense Allowances	Comp. for Loss of Office	Total Remuneration excluding pension contributions	Pension Contr.
		£	£	£	£	£
Chief Executive						
J.M.Evans	1	48,810	428	30,000	79,238	0

1. In addition to the salary figure above for the Chief Executive, a sum of £22,089 in respect of remuneration as Returning Officer was paid. The holder of this post ceased employment on the 31 July 2012. The full time equivalent salary was £146,412.

2012/13 Senior Officers Emoluments – Salary is between £60,000 and £150,000 per year

Post Holder Information (Post Title)	Note	Salary	Expense Allowances	Comp. for Loss of Office	Total Remuneration excluding pension contributions	Pension Contr.
		£	£	£	£	£
Director of -						
Legal, Public Protection and Housing	1	36,027	413	30,000	66,440	0
Environmental and Economic Regeneration	1	23,117	245	30,000	53,362	4,970
Finance, ICT and Property	1	35,952	413	0	36,365	7,730
Social Services		107,855	117	0	107,972	23,189
New Positions						
Managing Director / Dir. of Resources	2	84,755	0	0	84,755	18,222
Director of -						
Development	3	71,850	430	0	72,280	15,448
Visible Services and Housing	3	71,850	166	0	72,016	15,448
Chief Learning and Skills Officer	3	48,635	92	0	48,727	10,456

1. The holders of the posts of Director of Legal, Public Protection and Housing, Environmental and Economic Regeneration and Finance, ICT and Property ceased in their roles on the 31 July, 15 June and 31 July 2012 respectively. Their full time equivalent salary was £107,855.
2. In addition to the salary figure for the post of Managing Director / Director of Resources, a sum of £5,611 in respect of remuneration as Returning Officer was paid. The post of Managing Director / Director of Resources was filled on the 1 August 2012 with a full time equivalent salary of £127,133.
3. The posts of Director of Development, Visible Services and Housing were filled on the 1 June 2012 and the Chief Learning and Skills Officer post was filled on the 17 September 2012. The full time equivalent salary of these posts is in the range £85,500 to £95,000.

The number of exit packages with total cost per band and total cost of the compulsory and other departures are set out in the tables below.

Teachers are included even where appointed by the Governing body, as the liability for redundancy costs is with the Authority rather than the school.

2011/12

Exit Package cost band (including special payments)	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band
£			£
0-20,000	29	29	260,660
20,001-40,000	14	14	409,570
40,001-150,000	7	7	462,379

2012/13

Exit Package cost band (including special payments)	Number of other departures agreed	Total number of exit packages by cost band	Total cost of exit packages in each band
£			£
0-20,000	32	32	313,389
20,001-40,000	11	11	310,503
40,001-60,000	3	3	136,044
60,001-100,000	5	5	350,280

36. GRANT INCOME

The Authority credited the following grants, contributions and donations to the Taxation and Non Specific Income heading and those significant items to services.

	2011/12	2012/13
	£,000	£,000
Credited to Taxation and Non Specific Income		
Revenue Support Grant	121,681	117,668
Non Domestic Rate Contr.	28,951	33,507
Welsh Assembly Govt	8,347	11,537
Lottery	213	408
Other	418	990
Total (note 12)	8,978	12,935
Credited to Services		
Department for Works and Pensions	46,792	48,131
Welsh Assembly Govt	36,904	36,961
Youth Justice Board	246	226
Sports Council For Wales	34	35
Countryside Council for Wales	45	41
Home Office	112	56

Capital Grants Received in Advance

	2011/12	2012/13
	£,000	£,000
Section 106 agreements - unapplied	1,531	2,253
The amount has been apportioned as follows:		
To be applied within one year	168	263
To be applied after one year	1,363	1,990
Total	1,531	2,253

37. RELATED PARTIES

Other than that shown below there are no matters that the Council are required to disclose separately as material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council other than those shown elsewhere in the notes to the accounts.

Welsh Government effect influence on the Authority via legislation and grant funding.

The Authority has material transactions with Vale of Glamorgan Local Health Board in respect of Social Service matters whereby the Local Health Board reimburses the Authority £1.815 million in respect of their share of nursing home costs and children's placements.

At the 31 March 2013 there were 31 Vale of Glamorgan Councillors who also were members of Town and Community Councils.

The Authority is part of the Joint Archive Committee that oversees the provision of Archive services. The appropriate share of the Committee's assets and liabilities have been included within these accounts. The amounts are not material to these accounts.

There is a pooled budget in existence for the operation of a Joint Equipment Store (JES). The contributors to the pool are the Vale of Glamorgan Council, Cardiff County Council and the Cardiff and Vale University Health Board. The JES is run by Cardiff County Council and provides community equipment and minor adaptations to residents of Cardiff and the Vale of Glamorgan. £185,349 was paid into the pool in respect of 2012/13.

From 1st September 2012 a Joint Education Service was established by the five authorities that make up the Central South Consortia. The Joint Education Service is responsible for School Improvement Services across the five authorities. The Vale of Glamorgan Contributed £356,496 in 2012/13 towards statutory School Improvement Services. It also paid over £76,242 of Welsh in Education Grant (including LA match funding). The Local Authority commissioned £29,795 in traded services. The Vale of Glamorgan Schools paid £34,897 for traded services in 2012/13. In addition a number of staff were seconded to work for the Joint Education Service and reimbursement for these staff amounted to £185,763 in 2012/13.

38. OPERATING LEASES

The future minimum lease payments due under non- cancellable leases in future years are:

	2011/12 Land and Buildings	2011/12 Other Leases	2012/13 Land and Buildings	2012/13 Other Leases
	£,000	£,000	£,000	£,000
Operating leases which expire:				
Within 1 year	258	209	258	256
Between 1 and 5 years	1,030	451	910	460
After 5 years	738	37	600	0
Total	2,026	697	1,768	716

39. PENSION ASSETS AND LIABILITIES

Local Government Pension Scheme Funded Benefits

The disclosures below relate to the funded liabilities within the Cardiff and Vale of Glamorgan Pension Fund (the Fund) which is part of the Local Government Pension Scheme (the 'LGPS'). The funded nature of the LGPS requires The Vale of Glamorgan Council and its employees to pay contributions into the Fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The Vale of Glamorgan Council recognises gains and losses in full, immediately through Other Comprehensive Income and Expenditure.

In accordance with International Financial Reporting Standards disclosure of certain information concerning assets, liabilities, income and expenditure relating to pension schemes is required.

The Employer's regular contributions to the Fund for the accounting period ending 31 March 2014 are estimated to be £11.16 million.

Additional contributions may also become due in respect of any employer discretions to enhance members' benefits in the Fund over the next accounting period.

The latest actuarial valuation of The Vale of Glamorgan Council's liabilities took place as at 31 March 2010. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for IAS 19 purposes were:

Principal Financial Assumptions (% per annum)

	31 March 2011	31 March 2012	31 March 2013
Discount Rate	5.4	4.8	4.4
RPI Inflation	3.7	3.6	3.7
CPI Inflation	2.8	2.6	2.8
Rate of increase to pensions in payment	2.8	2.6	2.8
Rate of increase to deferred pensions	2.8	2.6	2.8
Rate of general increase in salaries*	4.7	4.6	4.7

*In addition there has been allowance for the same age related promotional salary scales as used at the actuarial valuation of the Fund as at 31 March 2010.

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

Post retirement mortality (retirement in normal health)

Post Retirement Mortality	31 March 2012	31 March 2013
Males		
Future lifetime from age 65 (aged 65 at accounting date)	23.9	24.0
Future lifetime from age 65 (aged 45 at accounting date)	25.6	25.7
Females		
Future lifetime from age 65 (aged 65 at accounting date)	26.7	26.8
Future lifetime from age 65 (aged 45 at accounting date)	28.7	28.8

	31 March 2012	31 March 2013
Commutation	Each member assumed to exchange 50% of the maximum amount permitted of their pre 1 April 2010 pension entitlements, for additional lump sum. Each member assumed to exchange 75% of the maximum amount permitted of their post 31 March 2010 pension entitlements, for additional lump sum.	Each member assumed to exchange 50% of the maximum amount permitted of their pre 1 April 2010 pension entitlements, for additional lump sum. Each member assumed to exchange 75% of the maximum amount permitted of their post 31 March 2010 pension entitlements, for additional lump sum.

The approximate split of assets for the Fund as a whole (based on data supplied by the Fund Administering Authority) is shown in the table below. Also shown are the assumed rates of return adopted by the Employer for the purposes of IAS 19.

Expected Return on Assets

	Long-term expected rate of return at 31 March 2011	Asset split at 31 March 2011	Long-term expected rate of return at 31 March 2012	Asset split at 31 March 2012	Long-term expected rate of return at 31 March 2013	Asset split at 31 March 2013
	(%) p.a.	(%)	(%) p.a.	(%)	(%) p.a.	(%)
Equities	8.4	74.7	8.1	72.1	7.8	76.0
Property	7.9	4.2	7.6	6.3	7.3	5.6
Government Bonds	4.4	4.9	3.1	7.7	2.8	7.5
Corporate Bonds	5.1	11.2	3.7	8.8	3.8	9.1
Cash	1.5	1.1	1.8	1.3	0.9	1.2
Other*	8.4	3.9	8.1	3.8	7.8	0.6
Total	7.7	100	7.2	100.0	6.9	100.0

*Other holdings include hedge funds, currency holdings, asset allocation futures and other financial instruments. It has been assumed that these will get a return in line with equities.

The Vale of Glamorgan Council employs 'a building block' approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are

assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 March 2013.

Reconciliation of Funded Status to Balance Sheet

	31 March 2011	31 March 2012	31 March 2013
	£m's	£m's	£m's
Fair Value of Assets	222.30	229.98	264.80
Present Value of Funded Defined Benefit Obligation	370.52	423.21	491.84
Pension Asset / (Liability) recognised on the Balance Sheet	(148.22)	(193.23)	(227.04)

Charges to the Surplus or Deficit on the Provision of Services

	For Year Ending 31 March 2012	For Year Ending 31 March 2013
	£M's	£M's
Cost of Services		
Current Service Cost	9.42	10.88
Past Service Cost	0.19	0.17
Interest Cost	20.06	20.37
Expected Return on Assets	(17.15)	(16.52)
Expense Recognised	12.52	14.90

Changes to the Present Value of Defined Benefit Obligation during the Accounting Period

	For Year Ending 31 March 2012	For Year Ending 31 March 2013
	£M's	£M's
Opening Defined Benefit Obligation	370.52	423.21
Current Service Cost	9.42	10.88
Interest Cost	20.06	20.37
Contributions by Participants	3.07	3.12
Actuarial (gains) / losses on Liabilities	30.68	45.88
Net Benefits Paid Out	(10.73)	(11.79)
Past Service Cost	0.19	0.17
Business Combinations	0.00	0.00
Curtailments	0.00	0.00
Settlements	0.00	0.00
Closing Defined Benefit Obligation	423.21	491.84

Changes to the Fair Value of Assets during the Accounting Period

	For Year Ending 31 March 2012	For Year Ending 31 March 2013
	£M's	£M's
Opening Fair Value of Assets	222.30	229.98
Expected Return on Assets	17.15	16.52
Actuarial gains / (losses) on Assets	(12.23)	16.14
Contributions by the Employer	10.42	10.83
Contributions by Participants	3.07	3.12
Net Benefits Paid Out	(10.73)	(11.79)
Business Combinations	0.00	0.00
Settlements	0.00	0.00
Closing Fair Value of Assets	229.98	264.80

Actual Return on Assets

	For Year Ending 31 March 2012	For Year Ending 31 March 2013
	£M's	£M's
Expected Return on Assets	17.15	16.52
Actuarial Gain / (Loss) on Assets	(12.23)	16.14
Actual Return on Assets	4.92	32.66

Analysis of Amounts Recognised in Other Comprehensive Income and Expenditure

	For Year Ending 31 March 2012	For Year Ending 31 March 2013
	£M's	£M's
Total Actuarial Gains / (Losses)	(42.91)	(29.74)
Total Gains / (Losses)	(42.91)	(29.74)

History of Experience Gains and Losses

The actuarial gains / losses identified as movements on the Pension Reserve can be analysed into the following categories measured as a percentage of assets or liabilities.

	As At 31 March 2009	As At 31 March 2010	As At 31 March 2011	As At 31 March 2012	As At 31 March 2013
	%	%	%	%	%
Experience Gains / (Losses) on Assets	(28.1)	19.7	(0.5)	(5.3)	6.1
Experience Gains / (Losses) on Liabilities	(0.4)	0.8	4.7	(0.6)	0.1

Local Government Pension Scheme Unfunded Benefits

The disclosures below relate to the unfunded pension arrangements established by The Vale of Glamorgan Council. These are termination benefits made on a discretionary basis upon early retirement in respect of members of the LGPS and the Teachers' Pension Scheme.

The Vale of Glamorgan Council recognises gains and losses in full, immediately through Other Comprehensive Income and Expenditure.

In accordance with International Financial Reporting Standards disclosure of certain information concerning assets, liabilities, income and expenditure relating to pension schemes is required.

In the accounting period 31 March 2014 the Employer expects to pay £1.45 million directly to beneficiaries.

The latest actuarial valuation of unfunded benefits took place as at 31 March 2008. Liabilities have been estimated by the independent qualified actuary basis on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for IAS 19 purposes were:

Principal Financial Assumptions (% per annum)

	31 March 2011	31 March 2012	31 March 2013
Discount rate	5.5	4.6	4.1
RPI Inflation	3.6	3.4	3.5
CPI Inflation	2.7	2.4	2.6
Rate of increase to pensions in payment	2.7	2.4	2.6

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

Post retirement mortality (retirement in normal health)

Post Retirement Mortality (retirement in normal health)	31 March 2012	31 March 2013
Males		
Future lifetime from age 65 (aged 65 at accounting date)	23.9	24.0
Females		
Future lifetime from age 65 (aged 65 at accounting date)	26.7	26.8

Reconciliation of Unfunded Defined Benefit Obligation to Balance Sheet

	31 March 2011	31 March 2012	31 March 2013
	£m's	£m's	£m's
Present Value of Unfunded Defined Benefit Obligation	18.43	19.45	20.13
Pension (Liability) recognised on the Balance Sheet	(18.43)	(19.45)	(20.13)

Changes to the Surplus or Deficit on the Provision of Services

	For Year Ending 31 March 2012	For Year Ending 31 March 2013
	£M's	£M's
Current Service Cost	0.00	0.00
Past Service Costs	0.00	0.00
Interest Cost	0.98	0.86
Curtailement Cost	0.00	0.00
Settlement Cost	0.00	0.00
Expense Recognised	0.98	0.86

Changes to the Present Value of Unfunded Defined Benefit Obligation during the Accounting Period

	For Year Ending 31 March 2012	For Year Ending 31 March 2013
	£M's	£M's
Opening Unfunded Defined Benefit Obligation	18.43	19.45
Current Service Cost	0.00	0.00
Interest Cost	0.98	0.86
Actuarial (gains) / losses on Liabilities	1.44	1.24
Net Benefits Paid Out	(1.40)	(1.42)
Past Service Cost	0.00	0.00
Business Combinations	0.00	0.00
Curtailements	0.00	0.00
Settlements	0.00	0.00
Closing Unfunded Defined Benefit Obligation	19.45	20.13

Changes to the Fair Value of Assets during the Accounting Period

	For Year Ending 31 March 2012	For Year Ending 31 March 2013
	£M's	£M's
Opening Fair Value of Assets	0.00	0.00
Expected Return on Assets	0.00	0.00
Actuarial (gains) / losses on Assets	0.00	0.00
Contributions by the Employer	1.40	1.42
Contributions by Participants	0.00	0.00
Net Benefits Paid Out	(1.40)	(1.42)
Business Combinations	0.00	0.00
Settlements	0.00	0.00
Closing Fair Value of Assets	0.00	0.00

Analysis of Amount Recognised in Other Comprehensive Income and Expenditure

	For Year Ending 31 March 2012	For Year Ending 31 March 2013
	£M's	£M's
Total Actuarial Gains / (Losses)	(1.44)	(1.24)
Total Gain / (Loss)	(1.44)	(1.24)

History of Experience Gains and Losses

	As At 31 March 2009	As At 31 March 2010	As At 31 March 2011	As At 31 March 2012	As At 31 March 2013
	%	%	%	%	%
Present Value of the Liabilities	(1.2)	3.1	0.4	(2.3)	0.2

40. CONTINGENT LIABILITY .

- A provision for the 'initial levy rate' announced by the Administrator of Municipal Mutual Insurance Limited (MMI) has been included in the accounts. It should be noted that further levies may be imposed on the Authority in the future; provision for any sum due will be made once such an event becomes likely and can be reasonably assessed.

41. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Authority's activities expose it to a variety of financial risks:

- 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 to make payments.
- Market risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market movements.

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. The Council has approved the Annual Treasury Management Strategy which includes policies on risk management.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Authority's customers. Deposits are not made with banks and financial institutions unless they are rated independently and comply with the credit rating as set out in the Treasury Management and Investment Strategy Statement. The Authority's internally managed investments complied with this strategy statement and does not expect any losses from non-performance by any of its counterparties in relation to deposits.

The Authority has a cautious approach to risk, with its priority to safeguard capital. The majority of the new investments were made with the Debt Management Account Deposit Facility which is guaranteed by the UK Government.

	Amount at 31 March 2013	Historical Experience of default	Historical experience adjusted for market conditions at 31 march 2013	Estimated max. exposure to default and uncollectability
	£000	%	%	£000
Deposits with banks and financial institutions	85,480	0	0	0
Bonds	0	0	0	0
Customers	0	0	0	0

Liquidity Risk

As the Authority has ready access to borrowings from the money markets and the Public Works Loans Board, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. When the Authority borrows money the maturity date determined for the loan is considered on each occasion.

The Authority has a loan of £4 million in respect of a LOBO (Lenders Option Borrowers Option). The Lender can increase the interest rate by giving three business days notice before the interest payment dates in each year ie the 24th August and the 24th February, it would then be for the Authority to decide whether to accept the increase or repay the loan. The loan has a full term maturity date of 24th February 2054.

The maturity analysis of financial liabilities is as follows:

	£,000
Less than one year	3,704
Between one and two years	3,003
Between two and five years	6,119
More than five years	86,266
Total	99,092

Market Risk

Interest Rate Risk

The Authority is exposed to significant risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise.

- Borrowings at fixed rates – the fair value of the liabilities borrowings will fall.
- Investments at variables rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise.
- Investments at fixed rates – the fair value of the assets will fall.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the Council Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

The total Government Grant Support receivable by the Authority for future years is indicative only and therefore no amount has been included for this in the table.

The Treasury Management Strategy Statement includes a section on borrowings and the Head of Financial Services (Section 151 Officer) will monitor the interest rate market and adopt a pragmatic approach to changing circumstances.

If interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£,000
Increase in interest payable on variable rate borrowings	61
Increase in interest receivable on variable rate investments	(108)
Increase in government grant receivable for financing costs	0
Impact on Surplus or Deficit on the Provision of Services	(47)
Share of overall impact credited to the HRA	(6)
Decrease in fair value of fixed rate investment assets	0
Impact on Other Comprehensive Income and Expenditure	0
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	12,189

The impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Foreign Exchange Risk

The Authority has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

HOUSING REVENUE ACCOUNT INCOME AND EXPENDITURE ACCOUNT

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

2011/12 £,000		2012/13 £,000	2012/13 £,000
	EXPENDITURE		
3,293	Repairs and Maintenance	2,869	
3,274	Supervision and Management	3,592	
261	Rents, Rates, Taxes, & Other Charges	184	
5,041	Negative housing revenue account subsidy payable	5,089	
9,573	Fixed Assets - Depreciation / Impairment (note 9)	10,692	
1	Debt Management Costs	1	
57	Bad & Doubtful Debts	76	
21,500	Total Expenditure		22,503
	INCOME		
14,855	Dwelling Rents	15,346	
258	Non – Dwelling Rents (gross)	272	
436	Charges for Services and Facilities	448	
10	Contributions towards expenditure	10	
15,559	Total Income		16,076
5,941	NET EXPENDITURE OF HRA SERVICES as INCLUDED IN THE WHOLE AUTHORITY COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT		6,427
0	HRA services share of Corporate and Democratic Core		0
0	HRA share of other amounts included in the whole authority Net Expenditure of Continuing Operations but not allocated to specific services		0
5,941	NET EXPENDITURE OF HRA SERVICES		6,427
	HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement		
102	Interest payable and similar charges	97	
(110)	Interest and Investment Income	(83)	
42	Pension interest cost and expected return on pension assets	60	
(2,700)	Capital Grants	(2,800)	
3,275	(Surplus) or deficit for the year on HRA services		3,701

MOVEMENT ON THE HRA STATEMENT

2011/12		2012/13
£,000		£,000
(11,375)	Balance on the HRA at the end of the previous year	(14,881)
3,275	(Surplus) or deficit for the year on the HRA Income and Expenditure Statement	3,701
(68,996)	Revaluation Surplus on Property, Plant and Equipment	(303)
62,966	Adjustments between accounting basis and funding basis under statute	(2,087)
(2,755)	Net (increase) or decrease before transfers to or from reserves	1,311
(751)	Transfers to or (from) reserves	0
(3,506)	(Increase) or decrease on the HRA	1,311
(14,881)	Balance on the HRA at the end of the current year	(13,570)

NOTE TO THE STATEMENT OF MOVEMENT ON THE HRA BALANCE

Adjustments Between Accounting Basis and Funding Basis under Statute

	2011/12	2012/13
	£,000	£,000
Revaluation Surplus on Property, Plant and Equipment	68,996	303
Charges for depreciation and Impairment of Non – Current Assets	(9,573)	(10,692)
Capital Grants and Contributions	2,700	2,800
Statutory Provision for the Financing of Capital Investment	42	39
Capital Expenditure charged against HRA	828	5,538
Pensions Reserve	(32)	(68)
Accumulated Absences	5	(7)
Total Adjustments	62,966	(2,087)

Summary

Housing Revenue Account - Revenue Balance at 31st March 2013 £ 13.570 million

1. Gross Rent Income

This is the total rent income due for the year after allowance is made for voids. During the year 1.87% of the total rent due was uncollectable due to lettable properties being vacant; in 2011/12 the figure was 1.26%. Average rents were £76.22 a week in 2012/13, an increase of 4.55% over the previous year. The aggregate provision in respect of uncollectable rent and other housing debts is £577,365.

2. Rent Rebates

Assistance with rents is available under the Housing Benefit Scheme for those on low incomes. 74.42% of the Council's tenants receive some help with the costs of rent charges.

3. Housing Stock

Average Housing Stock over the past ten years is shown below :

2001/02	4,576
2002/03	4,382
2003/04	4,209
2004/05	4,077
2005/06	4,012
2006/07	3,979
2007/08	3,959
2008/09	3,951
2009/10	3,949
2010/11	3,946
2011/12	3,944
2012/13	3,943

The numbers and types of dwelling at 31st March for the past two years is shown below :

Number of Dwellings

Type of Dwelling	At 31 st March 2012	At 31 st March 2013
1 Bedroom Houses	0	0
2 Bedroom Houses	314	311
3 Bedroom Houses	1,592	1,589
4 or more Bedroom Houses	90	90
1 Bedroom Bungalows	259	261
2 Bedroom Bungalows	69	69
3 Bedroom Bungalows	34	33
1 Bedroom Flats	884	886
2 Bedroom Flats	593	593
3 Bedroom Flats	95	95
Other - Hostel	15	13
	3,945	3,940

The change in stock can be summarised as follows :-

Housing Stock 31 st March 2012	3,945
Less : Sold	5
Housing Stock 31 st March 2013	3,940

4. Rent Arrears

During the year 2012/13 rent arrears as a proportion of gross rent income was 4.14% of the amount due compared to 3.86% in 2011/12. The figures are as follows: -

	2011/12 £,000	2012/13 £,000
Arrears at 31 st March	647	723

Amounts written off during the year amounted to £28,594 (2012:£24,615)

5. Housing Revenue Account Subsidy

The Housing subsidy includes a debit adjustment of £7,596 (2012: £5,514) in respect of a prior year adjustment.

6. Sale of Council Dwellings / Administration Costs

The costs of administering the sale of Council dwellings (disposal proceeds £606,464) were £18,150 in 2012/13, compared to £7,260 in 2011/12 (disposal proceeds £86,203).

7. Water Rates

Total monies collected in respect of water rates were £1,896,000 (£1,831,000 in 2011/12). Commission earned on this for 2012/13 was £242,000 (£261,000 in 2011/12).

8. Capital Expenditure

	2011/12 £,000	2012/13 £,000
Supported Borrowing	0	560
Useable Capital Receipts	2,372	159
Revenue Contributions	828	5,538
Major Repairs Reserve	2,700	2,800
	5,900	9,057

9. Fixed Assets - Depreciation / Impairment

The charge is broken down as follows:-

	2011/12 £,000	2012/13 £,000
Dwellings	1,059	1,654
Other	0	2
Impairment	8,514	9,036
	9,573	10,692

Council Dwellings / Other are included in Paragraph 13 pages 35, 36 and 37

10. Pension Reserve

The impact of the principal assumptions used by the independent qualified actuaries in updating the latest valuations of the Fund for IAS19 are shown below:-

	2011/12 £	2012/13 £
IAS 19 Adjustment	10,188	(8,314)
Pensions Interest Cost and Expected Return on Pensions Assets	(41,960)	(60,111)
Contribution from Pension Reserve	(31,772)	(68,425)

11. Housing Repairs Account

The net movement on the Housing Repairs Account is as follows:-

	2011/12 £,000	2012/13 £,000
HOUSING REPAIRS ACCOUNT		
Balance Brought Forward - (Surplus) / Deficit	(751)	0
Repairs and Maintenance Expenditure	3,293	0
Contributions from - Housing Revenue Account	(3,293)	0
Income	0	0
Balance Carried Forward - (Surplus) / Deficit	0	0
Net Transfer to / (from) Housing Revenue Account	751	0

12. Major Repairs Allowance

The Major Repairs Allowance is a grant provided by the Welsh Assembly Government and is used to fund capital expenditure in the Housing Revenue Account.

	2011/12 £,000	2012/13 £,000
Opening Balance brought forward	0	
Grant Received in Year	2,700	2,800
Grant Utilised in Year	(2,700)	(2,800)
Closing Balance Carried Forward	0	0

TRUST FUNDS

1. Education Trust Fund

The Council administers the Cowbridge Comprehensive School Fund which has been set up for the benefit of Cowbridge School or its pupils. Educational awards must be made on a basis of "need" or "merit".

Fund	Balance at 31 March 2012 £	Net Fund Income £	Total Expenditure £	Revaluation £	Balance at 31 March 2013 £
Cowbridge Comprehensive Fund	2,639,804	389,907	(34,564)	51,991	3,047,138

The Cowbridge Comprehensive School Fund although not audited as part of the Council audit, will be subject to external audit.

The Authority is the Custodian Trustee of the Sir Thomas Mansel Franklin Trust.

2. Welsh Church Acts

The Council is sole trustee of this Fund which was set up on the disestablishment of The Church in Wales. Funds generated from investments and property rents are disbursed in the form of grants to deserving causes on the basis of applications considered by the Welsh Church Act Estate Committee.

	Balance at 31 March 2012 £	Revaluation £	Surplus / (Deficit) £	Balance at 31 March 2013 £
Accumulated Fund	3,698,759	52,679	(21,458)	3,729,980

The fixed assets of the fund are included at their 31 March 2010 value. The external investments held by the fund are included at their market value at 31 March 2013.

The Welsh Church Acts fund although not audited as part of the Council audit, will be subject to external audit.