

# Summary of Accounts

Details of Avon Fire Authority's Spending during the past financial year

## 2006/07

### **SUMMARY OF ACCOUNTS 2006/07**

The Fire Authority has published a statement of accounts for 2006/07 in accordance with proper accounting practices as set out in the Chartered Institute of Public Finance & Accounting code of practice for Local Government Accounting, a copy of which is available on the Authority's website on <http://www.avonfire.gov.uk/>.

The purpose of this document is to pick out the key elements from the statement to make the accounts more accessible to wider audience. The document is in four sections, the first looking at the financial performance followed by the three key financial statements in summary form; the Consolidated Revenue Account, the Cash Flow Statement and the Consolidated Balance Sheet. Each section provides a brief explanation of the purpose of the statement and a summary of the financial position.

#### ***Financial Performance***

The revenue budget for 2006/07 which was set in February 2006 was £41.77m. When contributions from/to balances and reserves are excluded, the level of total expenditure planned for the year was £41.52m. The actual level of expenditure in 2006/07 before transfers to and from reserves totalled £41.02m which is £0.5m less than the revised budget. This under-spend was transferred to a reserve for future budget pressures identified in the Authority's medium term financial plan.

# COST OF THE FIRE SERVICE

## INCOME & EXPENDITURE ACCOUNT

The Income and Expenditure Account is a summary of the resources and consumed in providing services and managing the Authority during the last year. The statement identifies the cost of the individual elements of the service along with details of how the money has been raised to pay for it.

As you would expect, a large proportion of the expenditure goes on the emergency response role, which in addition to direct firefighting, responding to road traffic accidents and other emergencies includes the cost of answering emergency calls. Once again in 2006/07 there was a positive shift in resources into community fire safety work as part of the Authority's Integrated Risk Management Plan. The Authority aims to reduce the terrible impacts of fire and other emergencies by preventing them happening in the first place. To get a Home Fire Risk Assessment ring Fire Service Direct on 0800 1693 999 or visit our website <http://www.avonfire.gov.uk/> or call your Community Fire Station.

<b>Services</b>	<b>£'000</b>
Community fire safety	7,987
Fire fighting and rescue operations	35,133
Fire service emergency planning and civil defence	91
Authority management costs	429
<b>Net cost of services</b>	<b>43,640</b>
Net interest payable\ (receivable)	(67)
Net interest charges on net pensions liability	13,585
<b>Net operating expenditure</b>	<b>57,158</b>
<b>Less</b>	
Items included in net operating expenditure not chargeable to taxpayers (*)	(16,139)
<b>Total</b>	<b>41,019</b>
<b>Amount met by taxpayers</b>	
Government - revenue support grant	(3,976)
Business rate payers - contributions	(19,970)
Council Tax payers	(18,076)
<b>Total raised through taxation</b>	<b>(42,022)</b>
<b>Transfer to working balance\reserves</b>	<b>1,003</b>

<b>(*) Details of items not charged to taxpayers</b>	
Net notional pension costs	(15,131)
Depreciation of assets	(1,613)
Revenue funding for fixed assets	605
<b>Total</b>	<b>(16,139)</b>

## MOVEMENT OF CASH (CASH FLOW)

The Authority is also required to prepare a cash flow statement which provides details of cash movements throughout the year. Whilst the principal sources of cash are those raised through taxation, which are shown in the revenue account, there are other transactions which do not appear in the account.

These transactions relate to the purchase and disposal of major capital assets and include the use of borrowing to finance them.

The statement shows that although the net cost of the service is just over £43.13m, the total value of transactions for the financial year was only £42.65m. At the end of the financial year total cash paid in the year had exceeded the amounts received cash the 12 months by £.93m, decreasing cash & the equivalent balance shown in the balance sheet.

Area	£'000
<b>Cash in</b>	
Revenue Support Grant	(3,976)
Non Domestic Rate Income	(19,970)
Council Tax Income	(18,076)
Other Government Grants	(201)
Cash received for Goods and Services	(587)
Other Revenue Income	(392)
Interest Received	(425)
Capital Grant	(281)
Sale of Fixed Assets	(254)
New Loans Raised	(1,387)
<b>Total cash in</b>	<b>-45,549</b>
<b>Cash out</b>	
Cash paid to and on behalf of employees	36,096
Other Operating Costs	6,552
Interest Paid	296
Purchase of Fixed Assets	3,211
Repayments of amounts borrowed	234
Other	85
<b>Total cash out</b>	<b>46,474</b>
<b>Net movement in cash</b>	<b>925</b>

## FINANCIAL POSITION AT 31ST MARCH 2007

### CONSOLIDATED BALANCE SHEET

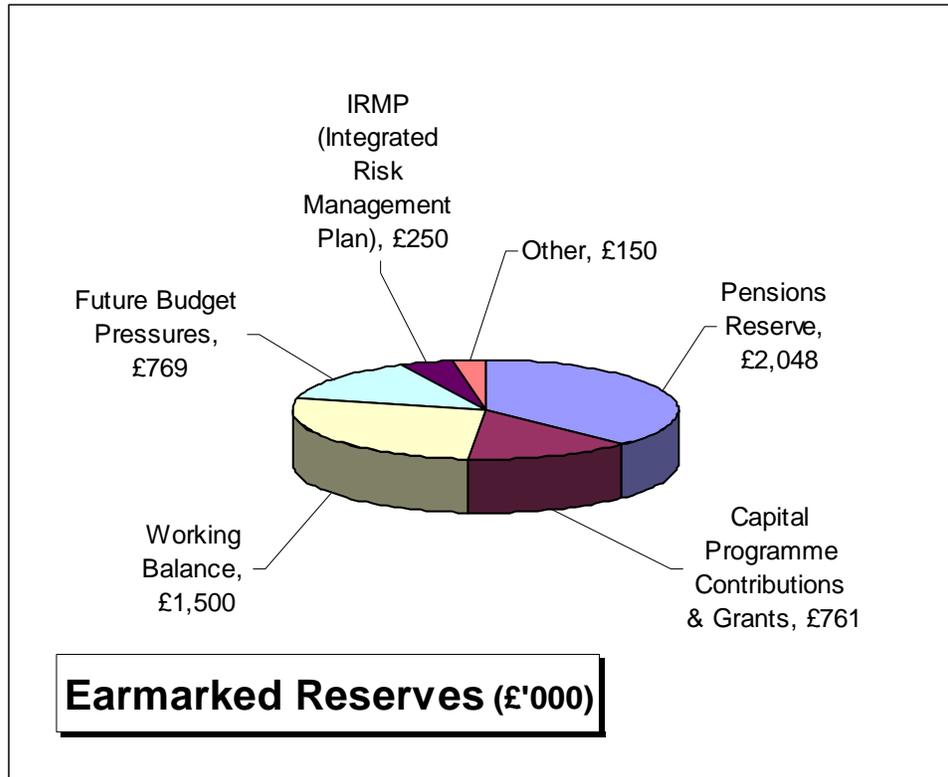
The purpose of this statement is to provide a summary of the assets and liabilities of the Authority at the end of the financial year and provide details of what reserves and balances the Authority has available. By far the largest items in the balance sheet are two self balancing items valued at over £278m relating to the firefighters pension scheme.

These are not short term liabilities but represent the whole life cost of the firefighters pension scheme, which the Authority can expect to pay out over the next 30 years. Because the scale of this item tends to distort both the assets and liabilities of the Authority, it has been identified separately in the summary statement to make it easier to identify the value of the core assets and liabilities.

<b>Assets</b>	<b>£'000</b>
Land and buildings	57,805
Vehicles Plant and Equipment	5960
Intangible Assets	85
Debtors (money owed to us)	5,093
Investments, stock and cash	4,077
<b>Total Assets</b>	<b>73,020</b>
<b>Liabilities</b>	
Borrowing	-9,124
Creditors (money we owe)	-3,300
Government Grants Deferred	-199
Deferred Liabilities	-632
Provisions	-222
Pension liability	-278,378
<b>Total Liabilities</b>	<b>-291,855</b>
<b>Total Assets Less Total Liabilities</b>	<b>-218,835</b>
<b>Reserves</b>	
Fixed Asset Restatement Account	66,812
Capital Financing Account	-13,434
Earmarked Reserve	687
Revenue Account Balance	-278,378
Earmarked Reserve	3,978
Fund Balance	1,500
<b>Total net worth</b>	<b>-218,835</b>

## RESERVES

Reserves include earmarked reserves set aside for particular purposes and a specific working balance which the Authority is required to keep in the event major unexpected expenditures.



## **CONTACT US**

The Authority values the opinions of the people it serves. If you wish to comment about the services of the Fire Authority, contact Fire Service Headquarters 0117 9262061.

If you would like further information with about the Authority's accounts and finances please contact:

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For more information regarding the Authority visit our website [www.avonfire.gov.uk](http://www.avonfire.gov.uk)