



Ein Rhanbarth ar Waith  
Education through Regional Working

# Education through Regional Working

South West and Mid Wales Consortium

## Statement of Accounts 2014/2015

Cynghrair o 6 awdurdod lleol yw ERW a reolir gan gyd-bwyllgor cyfansoddiadol cyfreithiol.  
Y nod yw gweithredu strategaeth a chynllun busnes rhanbarthol cytunedig a chefnogi gwelliant ysgolion.

ERW is an alliance of 6 local authorities governed by a legally constituted joint committee.  
Its aim is to implement the agreed regional strategy and business plan to support school improvement.



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## **EXPLANATORY FOREWORD**

Education through Regional Working is a single integrated regional professional school effectiveness service driving school improvement and learner achievement across the combined area of six local authorities in the South West and Mid Wales region within three hubs:-

- Carmarthenshire / Pembrokeshire
- Ceredigion / Powys
- Neath Port Talbot / Swansea

The ERW region has developing governance arrangements in place with a legally constituted Joint Committee holding the regional school improvement service to account for its performance in improving outcomes for learners. The Joint Committee is established through and operates under a legal agreement signed and sealed by each constituent Council on 16th July 2014. Consortium working between Directors of Education had been an ongoing relationship for a number of years prior to the formation of the Joint Committee.

Pembrokeshire County Council has been appointed as finance lead for the region, as such ERW operates under Pembrokeshire County Council's Financial Regulations, Employers Tax and VAT registration, Pension schemes, Human Resources policies (as they relate to centrally employed core staff) and all relevant accounting policies.

Powys County Council Procurement policies are followed, while Carmarthenshire County Council lead on Governance and Committee Services, and Ceredigion County Council lead on Legal and Monitoring Officer duties. Neath Port Talbot County Borough Council had led on school and education related HR policies until a part time specialist was appointed as part of the core ERW central team.

## SUMMARISED FINANCIAL PERFORMANCE 2014/2015

The summarised financial performance provides a high level overview of the financial position of the Consortium as at 31st March 2015. Set out in the following paragraphs, the final outturn position for 2014/2015 is compared to the estimate agreed by the ERW Joint Committee on the 25th July 2014, with consideration of the Central Team draft budget and funding position for 2015/2016 and 2016/2017 being approved in February 2015.

The Draft Outturn position was reported to the ERW Joint Committee in May 2015.

### 1. REVENUE EXPENDITURE

Central Team	2014/15		2014/15	2014/15
	Central Team		Grants	Total
	Original Estimate £000	Actual Expenditure £000	Actual Expenditure £000	Actual Expenditure £000
<b>Gross Expenditure</b>				
Employees	297	407	323	730
Premises	20	19	-	19
Transport	5	5	10	15
Supplies and Services	18	66	1,153	1,219
Facilitation	10	43	-	43
Grants Passported to LA's	-	-	31,030	31,030
<b>Total Gross Expenditure</b>	<b>350</b>	<b>540</b>	<b>32,516</b>	<b>33,056</b>
<b>Income</b>				
Contributions from Member Authorities	(250)	(250)	(17)	(267)
Welsh Government Grant	-	(236)	(32,154)	(32,390)
Sports Council of Wales	-	-	(230)	(230)
<b>Total Income</b>	<b>(250)</b>	<b>(486)</b>	<b>(32,401)</b>	<b>(32,887)</b>
Appropriation from Reserve	(100)	(54)	(115)	(169)
<b>Net Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## DRAFT BUDGET AND FUNDING POSITION 2015/2016 & 2016/2017

Central Team	2015/16	2016/17
	Estimated Expenditure £000	Estimated Expenditure £000
<b>Gross Expenditure</b>		
Employees	379	324
Premises	20	20
Transport	10	10
Supplies and Services	41	41
Facilitation	53	53
Grants Passported to LA's	-	-
<b>Total Gross Expenditure</b>	<b>503</b>	<b>448</b>
<b>Income</b>		
Contributions from Member Authorities	(250)	(250)
Welsh Government Grant	(153)	(98)
Sports Council of Wales	-	-
<b>Total Income</b>	<b>(403)</b>	<b>(348)</b>
Appropriation from Reserve	(100)	(100)
<b>Net Expenditure</b>	<b>-</b>	<b>-</b>

### 1.1 Commentary on the 2014/2015 Revenue Performance

The ERW Consortium gross expenditure for 2014/2015 totalled £33.056 million which included £31.030 million of grants being passported directly to the six constituent Local Authorities.

The ERW Joint Committee and Executive Board received regular budget reports throughout the year and were updated on additional grant resources as they became available. Joint Committee reports can be found on the ERW website [www.erw.wales](http://www.erw.wales)

A review has been undertaken in respect of the roles and responsibilities of the Central Team and their capacity to support the region. The Central team evolved during the year following the appointment of a Project and Operational Manager and a HR Strategic Director. There were 2 “termination of contracts” during 2014/2015.

Central supplies and services expenditure, increased by £48k, due to translation costs of £19k, marketing costs of £5k and an increase in IT infrastructure, including secure storage facilities.

Facilitation expenditure increased by £33k, due to Wales Audit Office fees totalling £14k, a short-term secondment costing £7k and a review of Governors Support costing £7k.

Local Authority contributions for 2014/2015 have been collected from the six partners in the sum of £250k. Unlike other consortiums, ERW does not directly employ school improvement challenge advisors. They are employed by each Local Authority and work collaboratively across the three area hubs and the region as a whole as and when necessary to deliver an effective service. ERW therefore only directly employs a small administrative central team which support the Managing Director and some grant funded seconded staff. This model allows greater flexibility in delivery than employing all challenge advisors directly given the geographical area the region covers.

Contributions towards the costs of the central team were split between the six Local Authorities on the basis of pupil numbers for 2014/2015:

<b>Local Authority</b>	<b>% of Pupils in Region</b>	<b>Contribution</b>
Carmarthenshire	21%	£52,500
Ceredigion	7%	£17,500
Neath Port Talbot	15%	£37,500
Pembrokeshire	14%	£35,000
Powys	16%	£40,000
City and County of Swansea	27%	£67,500
<b>Total</b>	<b>100%</b>	<b>£250,000</b>

These percentages were also used for apportioning reserves.

£236,000 of the costs of the central team have been funded by various Welsh Government grants.

## **1.2 Implications and Risks**

It is not anticipated that there are any unbudgeted commitments or liabilities arising from 2014/15 that the Consortium cannot meet.

## **2. CAPITAL INVESTMENT**

There was no capital expenditure in 2014/2015. Capital grants from Welsh Government are passported direct to the relevant Local Authority.

## **3. ASSETS & LIABILITIES**

### **3.1 Current Assets and Current Liabilities**

Total ERW debtors were valued at £5.336 million, being mostly grant income due from Welsh Government. No issues have been identified in relation to the impairment of these or any other current assets.

No issues have been identified regarding the settlement of current liabilities.

## **3.2 Pensions Liability**

ERW participates in two pension schemes - the Dyfed Pension Fund and the Teachers' Pension Fund.

**3.2.1 Dyfed Superannuation Scheme**, which is administered by Carmarthenshire County Council, is a funded defined benefit scheme to which both employees and the ERW Joint Committee as employers pay contributions. From April 2014 pensions are based around career average pension as opposed to final salary pensions ( for the post April 2014 element only).

The scheme is subject to statutory triennial actuarial valuations to ensure that the fund can meet future obligations, the last valuation having taken place in 2013. The Dyfed Fund has seen an increase in its net deficit.

### **3.2.2 Implications and Risks**

Under the recently signed Compact between Welsh Local Government and the Welsh Government, one of the proposed policy reviews involved considering the number and organisational structure of pension funds in Wales.

The "staging" date for auto-enrolment of staff in the Scheme has been transitionally postponed, as allowed under the regulations, until 2017.

The major risks facing the ERW Joint Committee relate to:

The overall number of contributors to the fund relative to the number of pensioners falling significantly resulting in higher employer contribution rates

Any consequential increase in employer contribution rates arising from the reforms outlined above or poor economic performance of the Dyfed Fund investments.

Given the small number of employees employed by ERW its exposure to these risks is small.

### **3.2.3 Teachers Pension Scheme**

The scheme is administered by the Department for Education. This is an unfunded scheme, meaning that there are no investment assets accumulated to meet pension costs before they arise, and therefore no fund assets or liabilities appearing in the ERW Joint Committee's Balance Sheet.

### **3.2.4 Implications and Risks**

The Government introduced reforms to Teachers pensions from April 2015. Future pensions will be based around career average pension as opposed to final salary pensions.

The major risk facing the ERW Joint Committee relates to:

The consequential increase in employer contribution rates arising from the falling contributor to pensioner ratios and from the reforms outlined above.

## **3.3 Usable Reserves and Balances**

### **3.3.1 General Reserve**

This reserve constitutes ERW's working balance and is maintained to meet day to day operational eventualities.

### **3.3.2 Earmarked Reserves**

These constitute balances held at the year end for specific purposes and will be used in accordance with those specific requirements.

## **4. SIGNIFICANT INTERESTS**

Members of the ERW Joint Committee, Lead Officers and Officers of the Executive Board are required to declare potential conflicts of interest arising from employment and other arrangements.

## **5. PAYMENTS TO AUDITORS**

It is estimated that £14k will be paid to the Wales Audit Office for its work auditing the 2014/2015 financial statements and grant certification work required by Welsh Government.

## **6. POST BALANCE SHEET EVENTS**

There were no events judged as material to ERW's financial position at 31st March 2015, which occurred after the financial year end but before the initial reporting date of 30th June 2015.

Any events taking place between the 30th June 2015 and the 29th September 2015, the date the audited Statement of Accounts being authorised for issue by the S151 Officer, will be reported and approved by the ERW Joint Committee. As at 30th June 2015 it is not anticipated that there will be any such events.

## **Auditor General for Wales' report to the Members of Education through Regional Working Joint Committee**

I have audited the accounting statements and related notes of Education through Regional Working Joint Committee for the year ended 31st March 2015 under the Public Audit (Wales) Act 2004.

Education through Regional Working Joint Committee's accounting statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet and the Cash Flow Statement.

The financial reporting framework that has been applied in their preparation is applicable law and the Code of Practice on Local Authority Accounting in the United Kingdom 2014-15 based on International Financial Reporting Standards (IFRSs).

### **Respective responsibilities of the responsible financial officer and the Auditor General for Wales**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on pages 11 to 12, the responsible financial officer is responsible for the preparation of the statement of accounts, which gives a true and fair view.

My responsibility is to audit the accounting statements and related notes in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors.

### **Scope of the audit of the accounting statements**

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

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

### **Opinion on the accounting statements of Education through Regional Working Joint Committee**

In my opinion the accounting statements and related notes:

- give a true and fair view of the financial position of Education through Regional Working Joint Committee as at 31 March 2015 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2014-15.

### **Opinion on other matters**

In my opinion, the information contained in the Explanatory Foreword is consistent with the accounting statements and related notes.

### **Matters on which I report by exception**

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept;
- the accounting statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit;
- the Governance Statement contains material misstatements of fact or is inconsistent with other information I am aware of from my audit.

### **Certificate of completion of audit**

I certify that I have completed the audit of the accounts of Education through Regional Working Joint Committee in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.



**For and on behalf of**  
**Huw Vaughan Thomas**  
**Auditor General for Wales**  
**Wales Audit Office**  
**24 Cathedral Road**  
**Cardiff CF11 9LJ**

30 **September 2015**

The maintenance and integrity of the Council's website is the responsibility of the Council; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the Statement of Accounts since it was initially presented on the web site.

## STATEMENT OF ACCOUNTS

### ERW, SOUTH WEST AND MID WALES CONSORTIUM JOINT COMMITTEE

#### STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT

##### The ERW Joint Committee's Responsibilities

The ERW Joint Committee 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 ERW Joint Committee, that officer is the Chief Finance Officer of Pembrokeshire County Council.
- To manage its affairs to secure the economic, efficient and effective use of resources and safeguard its assets.
- To approve the Statement of Accounts.

##### The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Joint Committee 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 Chief Finance Officer has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgments and estimates that were reasonable and prudent;
- Complied with the local authority Code.

The Chief Finance 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.

#### CERTIFICATE OF CHIEF FINANCE OFFICER

The Statement of Accounts of the ERW, South West and Mid Wales Consortium Joint Committee for the year ended 31st March 2015 is contained on pages 13 to 32, and is produced in accordance with the requirements of the Local Government Accounts and Audit (Wales) Regulations 2014. The Regulations prescribe the contents of the Statement of Accounts and it is upon the contents only that the Audit opinion is expressed.

I certify the accounts present a true and fair view of the financial position of the ERW, South West and Mid Wales Consortium Joint Committee as at 31st March 2015 and its income and expenditure for the year ended 31st March 2015 and append my signature to the Statement in accordance with Regulation 10(1).



**J HASWELL FCCA**

**Chief Finance Officer**

Date : 29/9/2015

**REPORTING AND APPROVAL**

These accounts, initially published on 30th June 2015, will be reported to the ERW South West and Mid Wales Consortium Joint Committee for approval following the conclusion of the Annual Audit on 29th September 2015. The audit certificate is shown on pages 9 - 10.



Vice Chair of ERW South West and Mid Wales Consortium Joint Committee

P.P. Name: Cllr. A. Thomas

Offices Address: Y Llwyfan  
College Road  
Carmarthen  
SA31 3EQ

Date: 29/09/2015

## **CORE FINANCIAL STATEMENTS - UNDERLYING PRINCIPLES**

The application of accounting standards, concepts, critical judgements and inherent risks, and accounting policies used in preparing the core financial statements are set out in the following pages.

### **1. FINANCIAL REPORTING**

The International Financial Reporting and Other Standards that have been issued have been applied as required by the Code of Practice on Local Authority Accounting.

The Code of Practice requires that the ERW Joint Committee discloses information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This requirement applies to accounting standards that come into effect for financial years commencing on or before 1 January of the financial year in question (i.e. on or before 1 January 2015 for 2014/15). Disclosure requirements are expected to be included in a subsequent edition of the Code.

- IFRS 13 Fair Value Measurement (May 2011)
- IFRIC 21 Levies
- Annual Improvements to IFRSs 2011 – 2013 Cycle
  - IFRS 1 : Meaning of effective IFRSs
  - IFRS 3 : Scope exceptions for joint ventures
  - IFRS 13 : Scope of paragraph 52 (portfolio exception)
  - IAS 40 : Clarifying the interrelationship of IFRS 3 Business Combinations and
  - IAS 40 : Investment Property when classifying property as investment property or owner-occupied property.

It is anticipated that details of the disclosures required for most of these changes will be included in the Code of Practice issued for 2015/16. Amendments are not deemed material.

The Statement of Accounts set out on pages 13 to 32 have been prepared in compliance with the 2014/15 Code of Practice on Local Authority Accounting

### **2. ACCOUNTING CONCEPTS**

The following pervasive accounting concepts have been used in the preparation of the Core Accounting Statements:

- Accruals
- Going concern
- Primacy of legislative requirements

The qualitative characteristics of financial information continue to be employed:

- Relevance
- Materiality
- Faithfull Representation
- Comparability
- Understandability
- Verifiability
- Timeliness

### **3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND ESTIMATION RISK**

In applying the accounting policies set below on pages 14 to 17 the ERW Joint Committee has made judgements about the complex transactions and those involving uncertainty in future years.

Although there is a high degree of uncertainty about the future level of funding for local government, to date Education has been a priority for the Welsh Government. Therefore while some grants may be reduced and given the small number of employees directly employed by ERW, there is insufficient evidence to conclude that the Joint Committee activities will be severely impaired or reduced in future years.

### **4. ACCOUNTING POLICIES**

The accounting policies used to prepare the Core Accounting Statements and the following Supporting Notes and Supplementary Financial Statements have been reviewed using the 2014/15 Code of Practice on Local Authority Accounting.

#### **4.1 General**

The objective of the accounting policies adopted shall be to ensure that the Statement of Accounts provides a "true and fair" view of the financial position of the ERW Joint Committee.

The accounts shall be prepared in accordance with the latest Code of Practice on Local Authority Accounting, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) (the Code) and adhere to the relevant Financial Reporting Standards and Practices, unless otherwise stated.

Figures shall be included in the Financial Statements using the cost convention specified by the appropriate accounting standard.

The accounting policies shall be revised as required from those of the previous year to reflect changes in reporting requirement with any such changes being disclosed.

#### **4.2 Going Concern, Exceptional, Extraordinary Items, Prior Year Adjustments & Events After the Reporting Period**

The Financial Statements shall be prepared on a going concern basis unless there is an intention by government that the services will no longer be provided.

Exceptional items – When items of income and expense are material, their nature and amount will be disclosed separately, either on the face of the Comprehensive Income and Expenditure Account or in the notes to the accounts.

Extraordinary items - No items of income or expense will be treated as extraordinary. All items will therefore be accommodated within one of the specified lines of the Surplus or Deficit on the Provision of Services or the Other Comprehensive Income and Expenditure.

Unless otherwise sanctioned by the Code, material prior period adjustments shall result in a restatement of prior year figures and disclosure of the effect.

Material events occurring after the end of the reporting period shall, if applicable at the Balance Sheet date, amend the Statement of Accounts. Other events will be disclosed with an estimate of the likely financial effect. If amended after being issued prior to the conclusion of audit the responsible financial officer shall re-certify the revised Statement of Accounts as replacing that previously issued. Materiality shall be defined as the amount estimated by the Wales Audit Office in any one year.

## **4.3 Leases and Lease-Type Arrangements**

### Recognition and Classification

Leases and similar financial arrangements shall be classified as either finance leases or operating leases. Finance leases are defined as arrangements whereby all risks and rewards incidental to ownership transfer substantially to the lessee but title may or may not eventually transfer. Operating leases shall be defined as all other lease type arrangements.

In considering property leases, land and buildings shall be considered separately for classification purposes, with land with an infinite life generally being recognised as an operating lease.

Finance Leases - shall be recorded in the Balance Sheet of the ERW Joint Committee as assets and equal liabilities in the appropriate category at fair value of the property or, if lower, the present value of the minimum lease payments – the discount rate applied being that implicit in the lease. Subsequently assets are subject to revaluation and depreciation.

The finance charge shall be charged to the revenue account on a constant basis over the term of the lease.

Operating Leases - the whole of the rental payable under operating leases shall be charged to the revenue account on a straight line basis over the term of the lease.

## **4.4 ERW Joint Committee Reserves (Working Balances)**

### Classification

Reserves shall be classified as usable, being available to support future expenditure or unusable being those required for financial accounting purposes.

### Usable Reserves

A protocol shall govern the creation, management and use of all reserves.

The expenditure financed from reserves shall be shown, when it is incurred, in the appropriate service section of the Comprehensive Income and Expenditure Statement.

The following circumstances shall allow amounts to be reserved from revenue:

- i. Material commitments exist for goods and services not received or paid for by 31<sup>st</sup> March
- ii. Facilitation of rolling over of funding to future years to ensure the cost effective use of resources and allow for variation in service demand from year to year
- iii. To set aside resources for future developments or contingencies

### Unusable Reserves

The following financial reserves shall be maintained:

- i. Pension Reserve – to reflect the position of the Scheme's Fund.
- ii. Accumulated Absences Account – to reflect the cost of paid absence entitlement due but not taken at 31<sup>st</sup> March.

### Reporting

Appropriations to and from reserves shall be reported in the Movement in Reserves Statement.

## **4.5 Income & Expenditure**

### Employee Costs & Benefits

Salaries and wages shall be charged against the periods to which they relate and if necessary estimated accruals made using previous pay periods as a basis. An adjustment shall be made in the Comprehensive Income & Expenditure Account to take account of accrued leave entitlement.

Pension costs – see policy 4.7 below.

### Supplies and Services Etc

The ERW Joint Committee operates a system of accruals and converted payments. Creditors will be accrued by cut off payments at the end of a predetermined period of the following year and by the inclusion of estimates for significant items remaining outstanding at this time based on quotations or past costs. An exception to this principle relates to electricity and similar periodic payments which are charged at the date of meter reading rather than being apportioned between financial years. This policy shall be consistently applied each year and therefore does not have a material effect on any year's accounts.

### Income

Normally all income due to the ERW Joint Committee shall be accounted for at the due date and recognised at fair value.

## **4.6 Government Grants And Other Contributions**

### General

Government grants and other contributions shall be accounted for on an accruals basis and when the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution will be received.

### Revenue Grants and Contributions

Where a revenue grant or contribution has been received, and conditions remain outstanding at the Balance Sheet date, the grant or contribution shall be recognised as a receipt in advance. When the grant conditions are met it shall be recognised in Comprehensive Income and Expenditure Statement as income and be matched in the service revenue accounts with the expenditure to which it relates.

### Repayment

In the event of repayment this shall first be applied to any receipt or contribution received in advance. To the extent that the repayment exceeds any such receipt in advance, or where no receipt in advance exists, the repayment shall be recognised within the Comprehensive Income and Expenditure Statement as an expense.

## **4.7 Employee Benefits**

### Benefits During Employment

Normal remuneration costs shall be charged as an expense in the period to which they relate.

A year end accrual shall be made in the Comprehensive Income and Expenditure Statement of any material costs arising from holiday entitlement not taken. However, not being a charge for taxation purposes shall be reversed out in the Movement in Reserves Statement.

### Termination Benefits

Termination benefits shall be charged in the Comprehensive Income and Expenditure Statement when the ERW Joint Committee is demonstrably committed to the termination of employment.

### Pension Costs

The pension contributions paid by the ERW Joint Committee shall be charged on an accruals basis to the appropriate service revenue account and, together with the contributions made by employees, shall be paid over to the respective Fund. Dyfed Pension Fund – The accounting policies applying to the Fund shall be determined by the Administering Authority, Carmarthenshire County Council, who keep the accounts of the Fund and arrange for actuarial information to be provided to participating authorities.

Pembrokeshire County Council, as an employing authority for the ERW Joint Committee, shall include the current service costs of pensions as calculated by the Fund's actuary in the cost of services in accordance with the requirements of Financial Reporting Standard IAS19.

These charges shall be reversed out in the Movement in Reserves Statement and the actual contributions paid to the Fund included to ensure that the correct cost is charged to the ERW Joint Committee.

Assets and liabilities pertaining to the ERW Joint Committee shall be disclosed on the Balance Sheet.

#### **4.8 Stocks and Works in Progress**

Stocks held by the ERW Joint Committee shall be valued at the lower of cost and net realisable value.

#### **4.9 Debtors, Bad Debt Impairment & Creditors**

General Debtors shall be recognised in the Balance Sheet and measured at fair value of the amount receivable when revenue has been recognised. In the majority of cases fair value will equate to the cash value but in the case of long term debtors the value shall be discounted by the appropriate rate to reflect fair value. The adjustment shall be made in the Comprehensive Income and Expenditure Statement but not being a proper charge to the ERW Joint Committee shall be reversed in the Movement in Reserves Statement to the Financial Instrument Adjustment Account.

##### Impairment of Debts

General allowances for impaired debts shall be made in the Balance Sheet using the following guidelines (or in specific circumstances on a basis agreed with S151 Officer).

Age of Debt	%age of debt provided
Less than 1 year	50%
1 to 2 years	90%
2 to 3 years	100%

The bad debt allowance shall be reviewed at the end of each financial year against the debts outstanding and adjustments made in the Comprehensive Income and Expenditure Statement as is appropriate.

General Creditors shall be recognised in the Balance Sheet and measured at fair value of the amount payable when goods have been delivered or services rendered. In the majority of cases fair value will equate to the cash value but in the case of long term creditors the value shall be discounted by the appropriate rate to reflect fair value. The adjustment shall be made in the Comprehensive Income and Expenditure Statement but not being a proper charge to the ERW Joint Committee fund shall be reversed in the Movement in Reserves Statement to the Financial Instrument Adjustment Account.

#### **4.10 VAT**

Transactions shall be shown net of VAT to the extent that it is recoverable/payable.

#### **4.11 Related Parties**

The following disclosures shall be made in respect of material transactions with related parties not disclosed elsewhere in the Statement of Accounts:

- i. Nature of the relationship and influence exerted either by or on the ERW Joint Committee
- ii. The aggregate of transactions in the year separately showing payable and receivable amounts
- iii. Outstanding balances as at 31<sup>st</sup> March.

## **CORE FINANCIAL STATEMENTS – COMPONENTS AND DETAIL**

The core financial statements, prepared using International Financial Reporting Standards, (IFRS) comprise of:

- The Movement in Reserves Statement – showing the movement on the different reserves held by the authority analysed between usable reserves and unusable reserves held for financial accounting purposes.
- The Comprehensive Income and Expenditure Statement - showing the accounting cost in the year of providing services measured on an IFRS basis as opposed to the cost actually funded from taxation. The reconciliation to the taxation position, as represented by the actual funds available to the ERW Joint Committee, is shown in the Movement in Reserves Statement on page 19.
- The Balance Sheet - which sets out the financial position on 31st March in terms of the value of assets and liabilities recognised by the ERW Joint Committee and the reserves held by the Joint Committee
- The Cash Flow Statement - which summarises the inflows and outflows of cash and cash equivalents with third parties arising from revenue and capital transactions.

### **Supporting Notes and Supplementary Financial Statements**

These comprise of:

- Notes to the core financial statements.

## MOVEMENT IN RESERVES STATEMENT

This Statement shows the movement in the year on the different reserves held by the ERW Joint Committee, analysed between usable (those that can be applied to fund expenditure) and other unusable reserves. The unusable reserves include reserves that hold unrealised gains and losses that are only realised when assets are sold and reserves that hold accounting differences needed to reconcile the differences between reporting on the IFRS accounting basis and the statutory funding basis.

The (Surplus)/Deficit on the provision of services reflects the economic cost of providing the Joint Committee's services, more details of which are provided in the Comprehensive Income and Expenditure Statement on the following page.

Actuals 2014/2015	ERW Usable Reserves	ERW Unusable Reserves	Total ERW Reserves
	£000	£000	£000
<b>Balance 1st April 2014</b>	(581)	-	(581)
(Surplus) / Deficit On Provision of Services	209	-	209
<b>Total Comprehensive Income &amp; Expenditure (see page 20)</b>	<b>209</b>	<b>-</b>	<b>209</b>
Adjustments Between Accounting Basis and Funding Basis Under Regulation (see page 32)	(40)	40	-
<b>(Increase) / Decrease In Year</b>	<b>169</b>	<b>40</b>	<b>209</b>
<b>Balance 31st March 2015 (see page 23)</b>	<b>(412)</b>	<b>40</b>	<b>(372)</b>

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the economic cost in the year of providing services in accordance with generally accepted accounting practice.

The Comprehensive Income and Expenditure Statement can be summarised as follows:

- **Surplus/Deficit on Continuing Operations** – analyses by subjective groupings, the day to day income and expenditure on such items as employee remuneration, running costs of services, service specific grants, fees and charges.

In accordance with the Code requirements, the operating income and expenditure of services include the following “notional” costs that are “reversed out” in the Movement in Reserves Statement:

- current service pension costs.
- **Other Comprehensive Income & Expenditure** – shows the surplus or deficit arising from the remeasurement of pension assets and liabilities.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT	Note	2014/15		
	Pg Ref	Gross Expenditure	Income	Net Expenditure
		£000	£000	£000
<b>Expenditure</b>				
Employees		674	-	674
Termination Benefits		76	-	76
Premises		19	-	19
Transport / Mileage		15	-	15
Supplies and Services - ERW Schools		475	-	475
Supplies and Services		350	-	350
Consultancy		221	-	221
Translation		19	-	19
Marketing		5	-	5
Training/Conferences		155	-	155
Support Services		20	-	20
Repayment from LA/due to WG		17	(17)	-
<b>Total Expenditure</b>		<b>2,046</b>	<b>(17)</b>	<b>2,029</b>
<b>Income</b>				
Contributions from Member Authorities		-	(250)	(250)
Welsh Government Grant		-	(1,360)	(1,360)
Sports Council of Wales		-	(230)	(230)
<b>Total Income</b>		<b>-</b>	<b>(1,840)</b>	<b>(1,840)</b>
<b>WG Grant Passported to Member Authorities</b>	<b>24</b>			
Carmarthenshire		6,177	(6,177)	-
Ceredigion		2,313	(2,313)	-
Neath Port-Talbot		5,860	(5,860)	-
Pembrokeshire		4,456	(4,456)	-
Powys		3,719	(3,719)	-
City and County of Swansea		8,505	(8,505)	-
		<b>31,030</b>	<b>(31,030)</b>	<b>-</b>
<b>(Surplus)/Deficit on Continuing Operations</b>		<b>33,076</b>	<b>(32,887)</b>	<b>189</b>
<b>Financing &amp; Investment Income and Expenditure</b>				
Net Pensions Interest	<b>29</b>	-	-	20
<b>(Surplus) or Deficit on Provision of Services</b>		<b>-</b>	<b>-</b>	<b>209</b>
<b>TOTAL COMPREHENSIVE INCOME &amp; EXPENDITURE</b>		<b>-</b>	<b>-</b>	<b>209</b>

## BALANCE SHEET

This Statement shows the value at the Balance Sheet date of the assets and liabilities recognised by the ERW Joint Committee. The net assets (assets less liabilities) are matched by:

- Usable reserves comprising of the general reserve and earmarked reserves.
- Unusable reserves comprising of reserves facilitating the adjustments required between accounting basis used to prepare the Statement of Accounts and the statutory funding basis under regulation.

BALANCE SHEET AS AT 31ST MARCH 2015	Page Ref	2014/15	
		£000	£000
<b>CURRENT ASSETS:</b>			
Short-term Debtors and Prepayments	30	5,336	-
Cash & Cash Equivalents	31	147	-
<b>Total Current Assets</b>		-	<b>5,483</b>
<b>TOTAL ASSETS</b>		-	<b>5,483</b>
<b>CURRENT LIABILITIES:</b>			
Short-term Creditors	31	(5,071)	-
<b>Total Current Liabilities</b>		-	<b>(5,071)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		-	<b>412</b>
Net Pension Fund Liability	32	(40)	-
<b>TOTAL LONG TERM LIABILITIES</b>		-	<b>(40)</b>
<b>NET ASSETS</b>		-	<b>372</b>
Usable Reserves			
- General Joint Committee Reserve	23	-	(348)
- Earmarked Joint Committee Reserves	23	-	(64)
Unusable Reserves			
- Pensions Reserve	23	-	40
<b>TOTAL RESERVES</b>		-	<b>(372)</b>

## CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents during the reporting period, showing how the ERW Joint Committee generates and uses cash and cash equivalents by classifying cash flows into operating, investing and financing activities.

The amount of net cash flows arising from net operating activities is a key indicator of the extent to which operations are funded by way of grant income or from the recipients of services provided by the ERW Joint Committee.

All cash transactions are administered by Pembrokeshire County Council as ERW South West & Mid Wales Consortium Joint Committee does not operate its own bank account.

CASH FLOW STATEMENT	2014/15	
	£000	£000
<b>Reconciliation of Comprehensive Income and Expenditure Statement to Net Revenue Cash Flow</b>		
<b>Net (Surplus)/Deficit on the provision of services</b>	-	209
<b>Adjustments to net surplus or deficit on the provision of services for non-cash movements</b>		
Pension fund adjustments	(40)	-
Movements in revenue debtors, creditors, stocks etc.	1,904	1,864
<b>Net Cash Flow from Operating Activities</b>	-	2,073
<b>NET (INCREASE)/DECREASE IN CASH &amp; CASH EQUIVALENTS</b>	-	2,073
Cash & cash equivalents at the beginning of reporting period	2,220	-
Cash & cash equivalents at the end of reporting period	147	-
<b>INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	-	(2,073)

## NOTES TO THE MOVEMENT IN RESERVES STATEMENT

### 1. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND REGULATORY FUNDING BASIS

Actuals 2014/2015	ERW Usable Reserves £000	Unusable Reserves £000
<b>Amounts included in Total Comprehensive Income and Expenditure required by regulation to be excluded to arrive at the funding position</b>		
Pension Cost Adjustment	(112)	112
<b>Amounts excluded in Total Comprehensive Income and Expenditure required by regulation to be included to arrive at the funding position</b>		
Employers contributions to pension schemes	72	(72)
<b>Net Adjustment Required</b>	<b>(40)</b>	<b>40</b>

### 2. USABLE RESERVES

Useable Reserves	Balance 1st April 2014 £000	Contrib'n from Revenue Accounts £000	Contrib'n to Revenue Accounts £000	Balance 31st March 2015 £000
Earmarked Reserves	(220)	156	-	(64)
General Reserve	(361)	54	(41)	(348)
<b>Total Useable Reserves</b>	<b>(581)</b>	<b>210</b>	<b>(41)</b>	<b>(412)</b>

### 3. UNUSABLE RESERVES

The transactions in the unusable reserve accounts summarised below can be found in more detail on page 25.

	Balance at 1st April 2014 £000	Movement in Year £000	Balance at 31st March 2015 £000
Pensions Reserve	-	40	40
<b>Total Unusable Reserves</b>	<b>-</b>	<b>40</b>	<b>40</b>

## NOTES TO THE COMPREHENSIVE INCOME & EXPENDITURE STATEMENT

### 1. REVENUE GRANTS

The table below sets out specific grant income from Welsh Government subsequently passported to the Member Authorities.

	2014/15		Grants Allocated Direct to Authority	Grants Held Centrally
	£000		£000	£000
Pupil Deprivation Grant	(17,648)		(17,648)	-
School Effectiveness Grant	(7,582)		(7,200)	(382)
Welsh in Education Grant	(1,779)		(1,779)	-
Lead Practitioner & Emerging Schools	(162)		(162)	-
Consortia Attendance Grant	(150)		(130)	(20)
Learning in Wales Digital CPD Programme	(71)		-	(71)
Band 4/5 Schools	(170)		(170)	-
Mentoring for Headteachers	(43)		-	(43)
14-19 Learning Pathways	(2,797)		(2,707)	(90)
Regional Collaboration Fund	(520)		(510)	(10)
Higher Level Teaching Assistants	(17)		-	(17)
Schools Challenge Cymru	(790)		(635)	(155)
Lead Practitioner & Emerging Schools - ALN	(19)		(19)	-
GCSE / Milan	(360)		-	(360)
Yr 6 National Numeracy Tests	(5)		-	(5)
Physical Literacy	(230)		-	(230)
Pupil Deprivation Capacity Building Grant	(50)		-	(50)
Welsh Bacculaureate	(75)		-	(75)
New Areas of Learning	(75)		-	(75)
Literacy, Numeracy & Modern Foreign Languages	(25)		(25)	-
GCSE Professional Learning Schools	(45)		(45)	-
<b>Total Revenue Grants</b>	<b>(32,613)</b>		<b>(31,030)</b>	<b>(1,583)</b>
Grants to Support Activity - Not linked to SLA's with WG	(7)		-	(7)
<b>Total All Grants Offered to ERW</b>	<b>(32,620)</b>		<b>(31,030)</b>	<b>(1,590)</b>

The above revenue grants have been accounted as follows during the year:

	2014/15		Grants Directly Allocated to Authority	Grants held Centrally
	£000		£000	£000
Welsh Government Grants Received	(32,390)		(31,030)	(1,360)
Sports Council of Wales Grants Received	(230)		-	(230)
Held In Advance Where Conditions Not Fulfilled	-		-	-
<b>Grants Credited As Income in Year</b>	<b>(32,620)</b>		<b>(31,030)</b>	<b>(1,590)</b>

## 2. PENSION COSTS

The ERW Joint Committee participates in the following pension scheme:

**2.1 The Dyfed Superannuation Scheme**, which is administered by Carmarthenshire County Council, is a funded defined benefit scheme to which both employees and the ERW Joint Committee, through Pembrokeshire County Council as employers, pay contributions. The scheme operates under the legislation appertaining to Local Government Pensions. Full pension scheme disclosures, including actuarial assumptions, are included in Pembrokeshire County Council's Statement of Accounts.

A composite employer's contribution rate used in 2014/15 was calculated by the Fund's actuary based on the valuation as at 31<sup>st</sup> March 2013 for all employees of the ERW Joint Committee who are members of the scheme.

The Fund was valued as at 31<sup>st</sup> March 2013 & the results of this valuation are reflected in the 2014/2015 Accounts.

The disclosures set out below are required by International Accounting Standard 19 (IAS 19), which employs slightly different assumptions than those used in the actuarial valuation, are also produced by the Fund's actuary at each financial year end.

IAS 19 requires most assets to be valued at "realisable values" i.e. bid values, as opposed to "fair values" (in effect, mid-market values).

### Interest on Assets

This is the interest on assets held at the start of the period and cashflows occurring during the period, calculated using the discount rate at the start of the year.

The Net Interest Cost is calculated as interest on pension liabilities less the interest on assets.

### Recognition of Actuarial Gains and Losses

All actuarial gains and losses are recognised in the year of occurrence via Other Comprehensive Income and Expenditure.

Actuarial gains and losses on liabilities due to changes in actuarial assumptions are split between the effect of changes in financial assumptions and changes in demographic assumptions.

### Expenses

Administration expenses are recognised as a separate item within the pension cost. Investment expenses are treated as a loss on asset and so recognised via Other Comprehensive Income and Expenditure.

### **Revenue Transactions**

Comprehensive Income And Expenditure Statement Entries included in Net Operating Expenditure	2014/15	
	£000	£000
Interest on Pension Liabilities	149	-
Interest on Plan assets	(129)	-
	-	20
Current Service Cost	-	92
	-	<b>112</b>
<b>Statement of Movement on the Council Fund Balance Entries</b>		
<b>Reversal IAS 19 Entries Above:</b>	-	(112)
<b>Actual Charges Paid In Year</b>		
Actual Amount Charged For Period	72	-
	-	72
	-	<b>(40)</b>

### 3. EXCEPTIONAL COSTS

There were no exceptional costs incurred in the period.

### 4. REMUNERATION DETAILS

4.1 The following tables set out the disclosure of remuneration for ERW Joint Committee Senior Staff as follows:

- Managing Director and Other Senior Staff including pension contributions or equivalent payments. The total contribution rate for employer pension contributions was 15.3% for 2014/15.
- Other Employees receiving remuneration of £60,000 or more (not including employer pension contributions) in bands of £5,000.

Senior Officers		Gross Salary, Fees & Other Emoluments £	Employer Pension Contributions to Local Government Pension Scheme £	Benefits in kind £
Managing Director	2014/15	70,958	10,856	-
Other Employees	Number Of Employees			
Remuneration Band	2013/14	2014/15		
£100,000 - £104,999	0	1		

There are other senior officer roles within the ERW South West and Mid Wales Consortium Joint Committee who are not employed by the Consortium and they do not receive any remuneration through the additional roles that they carry out on behalf of the region. They include

Lead Chief Executive	- Carmarthenshire
Lead Director of Education	- Ceredigion
S151 / Chief Finance Officer	- Pembrokeshire
Monitoring Officer	- Ceredigion

Also on the Executive Board are the other five Directors of Education from Carmarthenshire, Neath Port Talbot, Pembrokeshire, Powys and Swansea.

For information on the remuneration of the above individuals, users should refer to the respective Local Authority statement of accounts

#### 4.2 Termination Benefits

The following table identifies payments comprising of statutory and voluntary redundancy costs, pension contributions in respect of added years and pension strain and other ex gratia payments.

Redundancy & Other Termination Costs (Current Year)	2014/15			
	No's			£000
	Compulsory	Other	Total	
£0 - £20,000	-	-	-	-
£20,001 - £40,000	1	-	1	35
£40,001 - £60,000	-	1	1	41
<b>Total</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>76</b>
Pension Costs - Capital Settlement (Current Year)	2014/15			
	No's			£000
£0 - £20,000				-
£20,001 - £40,000				-
<b>Total</b>				-

The release of one employee was agreed prior to the creation of ERW but the physical release and payment was made after its creation.

## 5. AUDIT FEES

The following amounts are estimated as payable to the Wales Audit Office for the year:

	2014/15 £000
Fees payable to Wales Audit Office with regard to external audit services carried out by the Appointed Auditor for the year.	14
<b>Total</b>	<b>14</b>

## 6. RELATED PARTIES

Related parties refers to bodies or individuals that have the potential to control or influence the ERW Joint Committee or to be influenced or controlled by the ERW Joint Committee thereby possibly constraining the ability of the ERW Joint Committee or the other party to operate independently.

There are other instances where Executive Board Members, lead officers and Members of the ERW Joint Committee may attend meetings of the third party bodies but do not have the direct ability to exercise control, however, the opinions they express may influence decisions and policy.

### 6.1 Material Relationships

The following material relationships have been identified where material influence exists.

#### 6.1.1 UK and Welsh Government

The UK and Welsh Governments, have the responsibility for the statutory framework and provide the majority of the ERW Joint Committees funding, much of which is subject to specific terms and conditions. The bodies can, therefore, exert effective control over the operations of the ERW Joint Committee. Details of grants received are set out on page 24. Grant receipts outstanding at 31 March 2015 are set out on page 30.

## 7. AMOUNTS REPORTED FOR RESOURCE ALLOCATION DECISIONS

The Comprehensive Income and Expenditure Statement is prepared using the accounting policies set out on pages 14 to 17 to meet the requirements of the Code of Practice on Local Authority Accounting.

Decisions about resource allocation are taken by the Joint Committee on the basis of budget reports prepared on a different basis using the service groupings set out in SERCOP.

In particular:

- The cost of retirement benefits is based on cash flows (payment of employer's pensions contributions) rather than the current service cost of benefits accrued in the year.

### 7.1 Net Cost of Services Analysed by Income and Expenditure Type

This reconciliation shows how the figures in the Net Revenue Summary (page 4) relate to the amounts included in the Comprehensive Income and Expenditure Statement (page 20).

<b>Actual Expenditure 2014/15</b>	<b>ERW Core Team Expenditure £000</b>	<b>ERW Specific Grants Expenditure £000</b>	<b>Total Expenditure £000</b>
Local Authority Contributions	(250)	(17)	<b>(267)</b>
Government Grants	(236)	(32,154)	<b>(32,390)</b>
Sports Council of Wales	-	(230)	<b>(230)</b>
<b>Total Income</b>	<b>(486)</b>	<b>(32,401)</b>	<b>(32,887)</b>
Employee Costs	407	323	<b>730</b>
Other Operating Costs	113	1,163	<b>1,276</b>
Support Services	20	-	<b>20</b>
Grants Passported to LA's	-	31,030	<b>31,030</b>
<b>Total Costs</b>	<b>540</b>	<b>32,516</b>	<b>33,056</b>
<b>Net Cost of Services</b>	<b>54</b>	<b>115</b>	<b>169</b>
<b>Reconciliation to Net Cost of Services in Comprehensive Income and Expenditure Statement</b>			
Net Cost of Services			<b>169</b>
Add Financial Adjustments not included in management reports			<b>20</b>
Remove amounts not in Comprehensive Income and Expenditure Statement			-
<b>Net Cost of Services Comprehensive Income and Expenditure Statement</b>			<b>189</b>

## 7.2 Reconciliation to (Surplus) / Deficit in Comprehensive Income and Expenditure Statement

This reconciliation shows how the figures in the preceding table relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement.

Reconciliation to (Surplus) / Deficit in Comprehensive Income and Expenditure Statement							
Actual Expenditure 2014/15	Service Analysis £000	Financial Adjustments £000	Not In Comp Inc & Exp £000	Alloc'n of Recharges £000	Net Cost of Services £000	Corporate Amounts £000	Total £000
Local Authority Contributions	(267)	-	-	-	(267)	-	(267)
Interest & Investment Income	-	-	-	-	-	-	-
Government Grants and Contributions	(32,390)	-	-	-	(32,390)	-	(32,390)
Sports Council of Wales	(230)	-	-	-	(230)	-	(230)
<b>Total Income</b>	<b>(32,887)</b>	-	-	-	<b>(32,887)</b>	-	<b>(32,887)</b>
Employee Costs	730	20	-	-	750	-	750
Other Operating Costs	1,276	-	-	20	1,296	-	1,296
Support Services	20	-	-	(20)	-	-	-
Grants Passported to LA's	31,030	-	-	-	31,030	-	31,030
Interest Paid	-	-	-	-	-	20	20
<b>Total Costs</b>	<b>33,056</b>	<b>20</b>	-	-	<b>33,076</b>	<b>20</b>	<b>33,096</b>
<b>(Surplus)/Deficit on Provision of Services</b>	<b>169</b>	<b>20</b>	-	-	<b>189</b>	<b>20</b>	<b>209</b>

## 8. DEBTORS AND CREDITORS

### 8.1 Debtors and Prepayments

All amounts included as assets are shown at market (fair) value.

	Net 1st April 2015	Gross 31st March 2015	Impairment Allowance	Net 31st March 2015
	£000	£000	£000	£000
<b>Amounts falling due in one year:</b>				
Welsh Government		5,336	-	5,336
Local Authorities & Schools	-	-	-	-
Other Debtors	-	-	-	-
<b>Total Debtors</b>	-	<b>5,336</b>	-	<b>5,336</b>

### 8.2 Creditors

	Balance 31st March 2015		
	Short Term Creditors	Revenue Grants Receipts in Advance	Total Creditors
	£000	£000	£000
<b>Amounts falling due in one year:</b>			
Welsh Government	-	-	-
Local Authorities & Schools	(5,071)	-	(5,071)
Other Creditors	-	-	-
<b>Total Creditors</b>	<b>(5,071)</b>	-	<b>(5,071)</b>

### 8.3 Further Breakdown of Creditor Analysis

<b>Grant Payments Owed to Creditors</b>	<b>2014/15 £000</b>
<b>Current Liabilities</b>	
Welsh in Education Grant	1,779
School Effectiveness Grant	63
Learning in Digital Wales CPD Programme	29
14-19 Learning Pathways	2,511
Regional Collaboration Fund	174
Higher Level Teaching Assistants	6
Schools Challenge Cymru	211
Mentoring of Headteachers	19
GCSE / Milan	67
Physical Literacy	64
Areas of Learning	31
Welsh Baccalaureate	36
<b>Total Current Liabilities Revenue Grants</b>	<b>4,990</b>
<b>Other Creditors</b>	
Central Team	64
Powys Underspend to go Back to WG	17
<b>Total Creditors Owed 31st March 2015</b>	<b>5,071</b>

### 9. CASH AND CASH EQUIVALENTS

	<b>Balance 31st March 2015 £000</b>
Cash at Bank / in Hand	147
Bank Call Accounts	-
Cash Overdrawn	-
<b>Total Cash and Cash Equivalents</b>	<b>147</b>

## 10. PENSIONS RESERVE

The Pensions Reserve relates to the Dyfed Pension Scheme (see page 7) and absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions.

The debit balance on the Pensions Reserve reflects the shortfall at a point in time between the benefits earned by past and current employees and the resources in terms of pension fund assets required to meet them. The statutory arrangements for managing the Fund should ensure that funding will have been set aside by the time the benefits come to be paid.

	<b>2014/15</b> <b>£000</b>
<b>Balance 1st April 2014</b>	-
Remeasurements of Pension Liabilities and Assets	-
Reversal of items chargeable to the surplus/ deficit on the provision of services in the Comprehensive Income and Expenditure Statement	112
Employers pension contributions and other direct payments in the year	(72)
<b>Balance 31st March 2015</b>	<b>40</b>