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EXPLANATORY FOREWORD

1. The Accounts

The Council's accounts for the year ended 31st March 2002 are set out on pages 3 to 29. They consist of:

- a) The Consolidated Revenue Account - covering a summary of services provided by the Council.
- b) The Collection Fund - shows the transactions of the billing authority and illustrates the amounts collected and how these have been distributed to preceptors and the General Fund.
- c) The Consolidated Balance Sheet - which sets out the financial position of the Council on 31st March 2002.
- d) The Cash Flow Statement - shows the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.

The accounts and accompanying notes set out the revenue and capital expenditure of the Council and provide a balance sheet as at 31st March 2002.

The revenue and capital accounts have been prepared on an accruals basis with the cash flow statement showing the cash movements in the year.

2. Analysis of Accounts

This foreword provides a brief explanation of the Council's financial position and draws attention to the main influences during the year.

3. Legislative Changes

Where appropriate, more detailed notes are given to amplify variations due to legislative changes.

4. The Revenue Budget

Net service expenditure by committee and how this compares in overall terms with budgeted figures for 2001/2002 is set out below:

	2001/2002 Budget £000	2001/2002 Actual £000	2001/2002 Variance £000
Community Committee	6,389	6,341	(48)
Environment & Economy Committee	910	778	(132)
Planning Committee	1,063	1,049	(14)
Executive Committee	282	103	(179)
Miscellaneous	(208)	165	373
AUTHORITY NET SPEND	8,436	8,436	0
Less:			
Revenue Support Grant	1,864	1,864	0
Non-Domestic Rates	3,139	3,139	0
Transfer from Collection Fund	17	17	0
PRECEPT ON COLLECTION FUND	3,416	3,416	0

The Major influences on the Council's revenue income and expenditure are as follows

Description	Amount In 2001/02
-------------	-------------------

Expenditure

Salaries	£7,938,000
Housing Benefit Payments	£11,029,000
Council Tax Payment	£1,987,000
Waste Collection	£1,551,000

Income

Interest and Investment Income	£2,110,269
Government Grants	
Housing Benefits	£10,517,000
Revenue Support	£1,864,000
NDR allocation	£3,139,000
Council Tax	£3,416,000

5. Results for the Year

The net General Fund working balance decreased in the year by £87,029, (2000/2001 increased by £99,968).

Earmarked Reserves decreased by £1,529,495 (2000/2001 increased by £1,025,929).

Further details can be found on pages 23 to 26 of this statement.

6. Capital Expenditure

In 2001/2002 the Council spent £13,310,910 on capital projects.

Expenditure on private sector housing activities (improvement grants and grants to housing associations) amounted to £6,951,601.

98% of capital expenditure was financed from capital receipts and the balance from revenue and other sources.

Capital receipts of £37,083,783 are available to fund capital expenditure and commitments.

7. Accounting Policies

The accounting policies adopted by the Council are set out on pages 4 and 5.

8. Outlook

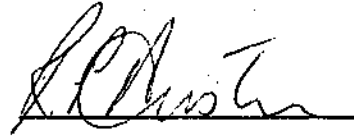
At the end of 2001/2002, the Council's finances are under some pressure both on the revenue and capital accounts. Financial management will be key to addressing future problems.

9. Debt Free Status

The Council transferred its housing stock to a housing association on 1st March 1997 in a large scale voluntary transfer. Part of the proceeds raised from the transfer was used to redeem the Council's long term borrowings and consequently the Council is now a debt free authority.

10. Further Information

Further information about the accounts is available from the Central Services Department, Trinity Road
Offices, Cirencester, GL7 1PX



R.P. Austin, BA, CPFA, IRRV
Director of Central Services
Date:

STATEMENT OF ACCOUNTING POLICIES

1. Accounting Standards

These accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting for Great Britain 2002 by the Chartered Institute of Public Finance and Accountancy (CIPFA). They conform to the Accounts and Audit Regulations 1996, Statements of Standard Accounting Practice (SSAP) and Financial Reporting Statements (FRS) as far as they are applicable to local authorities. Any substantial departures from the SSAPs are disclosed. The accounts also conform to the Best Value Accounting Code of Practice, which came into effect from 1st April 2000.

2. Capital Assets

Expenditure on the acquisition, or enhancement to the value of tangible assets, which yield benefit to the authority and the service it provides for more than one year, is capitalised and classified as a fixed asset. The assets are included in the Balance Sheet at current cost.

3. Capital Charges for Fixed Assets

Assets were valued by King Sturge and Company to reflect a current valuation at 31st March 1999. A charge for the use of assets has been made to the net cost of services in the revenue accounts. This charge has been excluded from net operating expenditure of the Council so that the call on the council taxpayer is not increased. Depreciation is provided on equipment at 25%. Buildings are depreciated at 2.5%, based on an assessment of useful lives of 40 years.

4. Capital Receipts

Capital receipts arise mainly from the proceeds of asset disposals and from the repayment of advances. The Local Government and Housing Act 1989 requires that a prescribed proportion of sums received are set aside for repayment of debt. As this Authority is debt free, it has been exempted from this requirement.

5. Deferred Charges

These represent expenditure that has been properly capitalised but which does not result in tangible assets. Deferred charges are written off in the year that they are incurred.

6. Investments

Short-term investments are shown in the Consolidated Balance Sheet at cost. Externally managed funds are shown at valuation.

7. Stocks and Stores

Stocks and stores are valued at last known price. Whilst this is not strictly in accordance with SSAP 9, which requires stocks and stores to be stated at the lower of cost or net realisable value, it is considered that the difference between the two valuation methods is not material. The stock is continuously monitored to identify obsolete items.

8. Debtors and Creditors

The revenue accounts are prepared on an income and expenditure basis. Provision is therefore made for goods and services supplied to, or by the Council, but not paid at 31st March 2002. The exception to this apply to goods and services costing less than £500, and telephone charges, fuel expenses and similar periodic payments. In both instances, the difference between the actual amounts charged annually to the revenue accounts and the amounts that would have been charged if full accrual had taken place is not material.

9. Allocation of Central Administrative Expenses

Overheads have been dealt with on the basis of the CIPFA statement on Accounting for Overheads. The costs of corporate management and regulating any service to the public have been separately identified. All charges and apportionments have been made to support service costs and all their users, including services to the public, divisions of service, trading undertakings, DSOs, capital accounts, services provided for other bodies and other support services.

10. Leasing

Certain vehicles, plant and machinery are leased from finance companies under operating leases. These items are not owned by the Authority and do not appear in the Balance Sheet. The annual rental is charged to individual revenue accounts over the period of the lease.

Central Government controls on local authority capital expenditure require a distinction between operating leases and finance leases. In the case of the latter, adequate provision is required within capital financing resources as the risks and rewards of ownership of a fixed asset are substantially transferred to the lessee. An operating lease is one that is not a finance lease.

11. Capital Grants

All Revenue grants are accounted for on an accrual basis and income has been credited to the appropriate revenue account.

Grants of a capital nature are also accounted for on an accrual basis.

12. Pension Costs

The pension costs that are charged to the Council's accounts in respect of its employees are equal to the contributions paid to the funded pension scheme for these employees. Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis. These costs have been determined on the basis of contribution rates that are set to meet 100% of the liabilities of the Pension Fund, in accordance with relevant Government regulations.

13. Reserves and Provisions

The Reserves and Provisions are set in the Balance Sheet on page 15 of the Statement of Accounts and are detailed at notes 11,13,14,15,16 and 17 on pages 20 to 27.

The material provisions and reserves are summarised as follows:-

	Balance as at 31 st March 2002
The Capital Fund	£2,602,227
The Community Projects Fund	£631,860
The General Fund Working Balance	£244,014

CONSOLIDATED REVENUE ACCOUNT

2000/2001 Net Expenditure £		2001/2002 Gross Expenditure £	2001/2002 Income £	2001/2002 Net Expenditure £
STATEMENT OF NET EXPENDITURE				
7,156,445	Cultural, Environmental and Planning Services	10,814,318	3,060,451	7,753,867
(255,764)	Highways, Roads and Transport Services	1,433,788	1,268,365	165,423
2,062,702	Housing Services	13,643,835	10,731,666	2,912,169
1,976,988	Corporate and Democratic Core	2,043,780	2,758	2,041,022
140,709	Unapportionable Central Overheads	36,902	0	36,902
963,836	Central Services to the Public	3,316,803	2,464,526	852,277
235,467	Other Operating Income and Expenditure	1,265,650	479,546	786,104
12,280,38	NET COST OF SERVICES	32,555,076	18,007,312	14,547,764
(961,379)	Transfer of Capital Charges (Note 5)			(924,570)
971,463	Amounts due to precepting authorities			1,101,799
(3,271,137)	Interest and investment income			(2,110,269)
9,019,330	NET OPERATING EXPENDITURE			12,614,724
APPROPRIATIONS:				
996,945	Contributions to/(from) Reserves/Funds			(1,529,495)
249,484	Revenue financing of Capital Expenditure			51,804
(993,796)	Deferred Charges written off			(1,147,031)
(403,484)	Financing for repayment of external loans (Note 7)			(365,675)
8,868,479	AMOUNTS TO BE MET FROM GOVERNMENT GRANTS AND LOCAL TAXATION			9,624,327
SOURCES OF FINANCE:				
(3,175,642)	Council Taxpayers - CDC			(3,415,920)
(971,463)	- Parish Councils			(1,101,799)
0	Transfer from Collection Fund			(17,160)
(4,821,342)	General Government Grants			(5,002,419)
(99,968)	NET GENERAL FUND (SURPLUS)/DEFICIT			87,029
(231,075)	BALANCE ON GENERAL FUND BROUGHT FORWARD			(331,043)
(331,043)	BALANCE ON GENERAL FUND CARRIED FORWARD			(244,014)

NOTES TO CONSOLIDATED REVENUE ACCOUNT

Note 1 Operating Leases

There are no outstanding commitments under operating lease arrangements.

Note 2 Publicity

Expenditure on advertising was as follows:

	2000/2001 £	2001/2002 £
Recruitment Advertising	135,294	81,373
Other Advertising	72,730	75,929
	208,024	157,302

Expenditure was incurred in connection with advertising for recruitment of staff, promotion and marketing of tourism in the District and publicity on the Council's services and activities.

Note 3 Local Authority (Goods and Services) Act 1970

Following the transfer of housing stock to Fosseway Housing Association, the Council has entered into agreements to provide Fosseway with cash receipting, payroll and legal services.

Note 4 Pension Costs

In 2001/2002 the Council paid an employer's contribution of £593,555 representing 9.474% of employees' pensionable pay into Gloucestershire County Council's Pension Fund, which provides members with defined benefits related to pay and service. The contribution rate is determined by the Fund's Actuary, based on triennial actuarial valuations, the last completed review being at 31st March 2001.

In addition, the Council is responsible for all pension payments relating to added years benefits it has awarded, together with the related increases. In 2001/2002 these amounted to £56,246 representing 0.70% of pensionable pay.

The Fund's Actuary has advised that the pension costs that it would have been necessary to provide for in the year in accordance with SSAP 24, "Accounting for pension costs" are £645,505 representing 10.16% of pensionable pay.

The actuarially assessed capital costs of discretionary increases agreed by the Council in previous years for which payments are still being made is £891,666. These costs have been 95% funded by the Council in earlier years by contributions to the pension fund.

Further information can be found in Gloucestershire County Council's Pension Fund's Annual Report which is available (from November each year) upon request from:

Director of Corporate Services
Shire Hall
Westgate Street
GLOUCESTER
GL1 2TG

Note 5 Asset Management Revenue Account

	2000/2001 £	2001/2002 £
Income		
Capital charges - General Fund	961,379	924,570
Expenditure		
Provision for Depreciation	(303,484)	(275,675)
Balance to the Consolidated Revenue Account	657,895	648,895

Note 6 Financial Reporting Standards (FRS) Number 17 – Retirement Benefits as at 31st March 2002.

Note: under the transitional arrangements for financial years ending on or after 22 June 2001 and before June 2002, implementation of FRS 17 is limited to certain balance sheet disclosures. References in square brackets are to the relevant paragraph(s) of FRS 17.

- 1 Employees of the Council are admitted to the Gloucestershire County Council Pension Fund ("the Fund"), which is administered by Gloucestershire County Council under the Regulations governing the Local Government Pension Scheme, a defined benefit scheme. [Paragraph 76a]
- 2 The figures disclosed below have been derived by suitable approximate methods from the full actuarial valuation of the Fund carried out by Watson Wyatt as at 31st March 2002. [Paragraph 76b]
- 3 The employer's contributions certified by the actuary to the Fund in respect of the years ending 31st March 2003, 2004, 2005 are 175% and 175% of members' contributions. [Paragraph 76c]
- 4 The main financial assumptions adopted as at 31st March 2002 were:
 - a) retail price inflation: 2.5% per annum
 - b) increases in salaries : 4.3% per annum
 - c) increases in pensions and deferred pensions: 2.5% per annum
 - d) (parts of pensions in payment representing guaranteed minimum pensions are no increased (pre – 1998 accrual) or increased at 2.0% per annum (post 1998)
 - d) discount rate: 6.1%

- 5 The fair values of each main class of assets held by the Fund as at 31st March 2002 and the expected rates of return for the ensuing year are set out in the following table:

	Fair Value	Expected Return
	£m	%
Equities	486.3	7.5
Gilts	59.2	5.25
Other bonds and property	74.8	6.0
Cash	22.8	4.5
Total	643.1	7.0

There is no provision for unitising the assets of a Fund under the LGPS. The above assets as a whole are allocated to participating bodies on a consistent and reasonable manner.

- 6 The fair value of the above assets related to the Council was: **£26.1million**
 The value placed on the liabilities related to the Council was: **£31.8 million**
 Consequently, at 31 March 2002, the deficiency related to the Council was: **£5.7 million**

[Paragraph 88]

- 7 Paragraph 90 to 93 should also be complied with. Deferred taxation (if applicable) is a matter for the Council. Other pension schemes may be utilised by the above employer, and should be the subject of separate consideration.

Note 7 Minimum Revenue Provision

	2000/2001	2001/2002
	£	£
Non Housing amount (commutation adjustment)	(100,000)	(90,000)
Minimum Revenue Provision	0	0
	(100,000)	(90,000)
Amount charged as depreciation	303,484	275,675
Amount charged to Consolidated Revenue Account	(403,484)	(365,675)
	(100,000)	(90,000)

Note 8 Employee Remuneration

The number of employees whose remuneration exceeded £40,000 during the year was as follows:

	2000/2001 Number	2001/2002 Number
£40,000 to £49,999	9	9
£50,000 to £59,999	0	2
£60,000 to £69,999	3	1
£70,000 to £79,999	1	2
£80,000 to £89,999	0	1

Note 9 Related Party Transactions

There were no related party transactions during the year other than those already disclosed in the accounts (2000/2001 Nil).

Note 10 Members' Allowances

The total amount of allowances paid to Members during 2001/2002, comprising attendance allowances and travelling allowances, was £173,613 (2000/2001 £147,882).

Note 11 Section 137 of the Local Government Act 1972 (as amended),

Under Section 137 of the Local Government Act 1972 (as amended), the District Council is empowered to finance projects of benefit to local taxpayers which cannot be justified under any other Local Authority power. In 2001/2002, payments totalling £25,951 (2000/2001 £33,480) were made under this power.

Note 12 Trading Activities

The Council operates its building control function and Cotswold Leisure Centre as trading activities. The income and expenditure of these activities are as follows:

	Building Control		Leisure Centre	
	2000/2001 £	2001/2002 £	2000/2001 £	2001/2002 £
Income	356,328	405,414	915,680	980,022
Expenditure	273,092	314,971	919,929	1,409,550
Surplus (Deficit)	83,236	90,443	(4,249)	(429,528)

Note 13 Administering Payroll and Cashiering Services for Fosseway Housing Association

The Council has two contracts with Fosseway Housing Association – one to administer their payroll and the other for the collection of rent via the Council's cashiering service. For the year 2001/02 these two contracts attracted income to the Council in the region of £17,668

Note 14 Value Added Tax

The VAT assessment for the year ended 31st March 2002 included a payment due to Customs and Excise but which was under discussion. This liability (£17,219) was accrued for in the accounts and has since been paid to the Customs and Excise.

THE COLLECTION FUND

2000/2001		2001/2002
£		£
<u>INCOME</u>		
26,958,659	Income from Council Tax and residual Community Charge	(Note 1) 29,030,210
	Transfers from General Fund	
1,808,302	Council Tax Benefits	1,986,950
111,675	Council Tax Benefit Subsidy Contribution - GCC	(Note 6) 145,803
37,484	Council Tax Benefit Subsidy Contribution - GPA	(Note 6) 36,928
15,533,618	Income from business ratepayers	(Note 2) 16,289,461
(2,715)	Government Grants	(2,286)
44,447,023	TOTAL INCOME	47,487,066
<u>EXPENDITURE</u>		
	Precepts and Demands	
21,887,585	Gloucestershire County Council	23,677,278
2,691,536	Police Authority	2,854,035
4,147,105	Cotswold District Council	(Note 3) 4,517,719
	Business Rate	
15,374,620	Payment to National Pool	16,131,424
158,998	Costs of Collection	158,037
	Bad and Doubtful Debts/Appeals	(Note 4)
39,722	Write offs	45,909
137,129	Provisions	131,901
(150,000)	Movement to/(from) provisions to Collection Fund	(128,357)
	Contributions - Adjustment of previous years'	
0	Community Charges	0
0	Council Tax appropriated to CDC & GCC	150,000
44,286,695	TOTAL EXPENDITURE	47,537,946
160,328	Surplus /(Deficit) for the Year	(Note 5) (50,880)
5,552	Balance at 1 st April	165,880
165,880	BALANCE CARRIED FORWARD	115,000

NOTES TO THE COLLECTION FUND

Note 1

The Council is required to maintain separate Collection Fund Account to record transactions relating to council tax.

Collection fund income is as follows:

	2000/2001 £	2001/2002 £
Council tax due from taxpayers	28,863,356	31,156,397
Council tax benefits, relief and write-offs	(1,904,697)	(2,126,187)
	26,958,659	29,030,210

Council Tax

Council tax was introduced on 1st April 1993, and is a property based tax. A 25% reduction is made for single occupancy and a 50% reduction for void periods. The District Valuer has valued all domestic property in the area and has placed them into one of eight bands. A factor is then applied to each band so that the tax base can be expressed as a "Band D" equivalent (see below).

Band	Estimated number of properties in each Band (adjusted for discounts)	Ratio	Band "D" Equivalents
A	2,343.00	6/9	1,561.0
B	3,570.00	7/9	2,776.7
C	8,435.50	8/9	7,498.2
D	5,380.30	1	5,380.3
E	4,815.30	11/9	5,885.3
F	3,533.50	13/9	5,103.9
G	3,553.30	15/9	5,922.1
H	503.00	18/9	1,006.0
Less adjustment for collection rates and for anticipated changes during the year for successful appeals against valuation bandings, demolitions, disabled persons' relief and exemptions plus adjustments for new properties. (This amounts to 1% of the tax base)			35,133.5 351.4
COUNCIL TAX BASE FOR 2001/2002			34,782.1

Note 2 Income from Business Rates

Under the arrangements for uniform business rates, the Council collects non-domestic rates for its area which are based on local rateable values multiplied by a uniform rate.

The total amount, less certain reliefs and other deductions, is paid to a central pool (the NNDR pool) managed by Central Government, which in turn pays back to authorities their share of the pool based on a standard amount per head of the local adult population. Under these arrangements the amounts included in these accounts can be analysed as follows:

Note 2 Income from Business Rates (Continued)

2000/2001		2001/2002
£		£
24,162,836	Non-domestic rateable value (£46.0 million, Multiplier for uniform business rate of 43.0p)	19,759,529
8,788,217	less: allowances and other adjustments	3,628,104
15,374,619	Net contribution to NNDR national pool	16,131,425

Redistribution is made direct to the major precepting authorities rather than through the billing authority's collection fund. Consequently, £3,138,840 is shown as redistributed NNDR income in the Council's general fund.

Note 3 Precepts and Demands

The District Council precept includes £1,101,799 for parish expenditure. This sum is distributed to parishes through the Council's General Fund.

Note 4 Provision for Uncollectable Amounts

Provision has been made within the accounts for uncollectable debts based on Department of the Environment guidelines. At the end of 2001/2002, the accumulated provision stood at £209,177 made up as follows:

	£
National Non-Domestic Rates	73,458
Council Tax	135,719
	209,177

Note 5 Collection Fund Surplus

Any surplus or deficit on the Fund will be distributed between the major precepting authorities.

	2000/2001	2001/2002
	£	£
Gloucestershire County Council	126,390	87,696
Gloucestershire Police Authority	15,542	10,571
Cotswold District Council	23,948	16,733
Collection Fund Surplus	165,880	115,000

Note 6 Council Tax Benefit Subsidy Limitation

In 1999/2000 the government introduced new regulations to discourage authorities from setting excessive increases in council tax. Under the new regulations, an authority that increases its council tax by more than the guideline increase specified by the government will be required to contribute towards the corresponding excessive increase in council tax benefit awarded by the district council. As both Gloucestershire County Council and Gloucestershire Police Authority exceeded the guideline, they have both contributed towards the collection fund as required.

**CONSOLIDATED
BALANCE SHEET**

31 st March 2001 £	Notes	£	£	31 st March 2002 £
	Fixed Assets	1		
	Operational Assets:			
10,507,497	Land & Buildings			13,554,493
92,960	Equipment			268,466
	Non-Operational Assets :			
8,582,381	Land & Buildings			9,391,392
	Community Assets :			
59,122	Land & Buildings			514,018
19,241,960				23,728,369
0	Deferred Charges	3		0
40,894,830	Long Term Investments	4		35,949,973
988,818	Long Term Debtors	5		998,183
61,125,608				60,676,505
	Current Assets			
33,450	Cash at Bank		53,144	
67,498	Stocks	6	72,063	
2,755,507	Debtors	7	2,736,987	
3,550,000	Temporary Investments	8	1,400,000	
6,406,455				4,262,194
	Current Liabilities			
172,468	Bank Overdraft		35,677	
2,049,266	Creditors	9	2,014,540	
				2,050,217
4,184,721	Net Current Assets/(Liabilities)			2,211,997
(382,032)	Deferred Capital Receipts	10		(383,314)
64,928,297				62,505,168
42,243,493	Capital Receipts	11		37,083,783
6,150,141	Earmarked Reserves	13&14		4,620,646
354,991	Revenue Balances	13&15		260,747
(17,512,245)	Fixed Asset Restatement Reserve	13&16		(18,393,626)
33,691,917	Capital Financing Reserve	13&17		38,933,618
64,928,297				62,505,168

NOTES TO CONSOLIDATED BALANCE SHEET

Note 1

Fixed Assets

Movements in net fixed assets during the year were as follows:

	Operational Assets		Non-Operational	Community Assets	Total
	Land & Buildings £	Equipment £	Land & Buildings £	Land & Buildings £	£
<u>Valuation</u>					
At 1 st April 2001	10,681,302	261,118	8,646,780	59,122	19,648,322
Additions	3,338,178	219,363	1,551,020	454,896	5,563,457
Disposals			(326,765)		(326,765)
Revaluation	(117,763)		(356,845)		(474,608)
At 31 st March 2002	13,901,717	480,481	9,514,190	514,018	24,410,046
Loans Issued				80,008	80,008
Loans Written Down				(80,008)	(80,008)
<u>Depreciation</u>					
At 1 st April 2001	173,805	168,158	64,399		406,362
For the Year	173,419	43,857	58,399		275,675
On Disposals					
At 31 st March 2002	347,224	212,015	122,798		682,037
<u>Net Book Value</u>					
At 1 st April 2001	10,507,497	92,960	8,582,381	59,122	19,241,960
At 31 st March 2002	13,554,493	268,466	9,391,392	514,018	23,728,369

The items of capital expenditure were:

	£000
Improvements to council buildings	3,540,075
Acquisition of land & buildings	792,110
Construction of leisure centre	454,896
Other	776,376
	5,563,457

Note 1/Continued

Fixed Assets

The capital expenditure was financed as follows:

	£		£
Capital receipts	12,984,018	Fixed Assets	5,563,457
Revenue Contributions	51,804	Deferred Charges	7,667,445
Capital Grants	161,393	Loans Granted	80,008
Creditor Accruals	113,695		
	13,310,910		13,310,910

An analysis of fixed assets at 31st March 2002 is:

	Number
Council Dwellings - General Fund	4
Council Offices	6
Car Parks	15
Lorry/Coach Parks	1
Museums	2
Cattle Markets	1
Cemeteries	1
Sports Centres	1
Halls	2
Social Clubs	1
Public Conveniences	21
Buildings let for Commercial purposes	Various

The major commitments on the capital accounts as at 31st March 2002

	Estimated Cost	Spend to 31 st March 2002 in 2003/04	Commitment
Bourton Leisure Centre,	£2,561,400	£514,019	£2,047,381
Trinity Road Offices Extension	£3,664,500	£2,606,012	£1,058,488

Note 2

Leases

Secondary rentals on finance leases amounted to £68 in 2001/2002 (£68 in 2000/2001).

Note 3

Deferred Charges

	Balance at 1 st April 2001 £	Expenditure £	Amounts Written Off/Adjusted £	Balance at 31 st March 2002 £
Social Housing Grants	0	6,202,637	6,202,637	0
Improvement Grants	0	808,424	808,424	0
Capital Grants	0	5,345	5,345	0
Other	0	651,039	651,039	0
	0	7,667,445	7,667,445	0

Note 4

Long Term Investments

	31 st March 2001 £	31 st March 2002 £
Externally managed funds	40,894,830	35,949,953

Investec and Alliance Capital manage the Council's externally managed funds. It is intended that these funds be maintained for more than one year. This does not preclude the Council from liquidating these investments within the next 12 months.

Note 5

Long Term Debtors

	Balance at 1 st April 2001 £	New Advances/ Adjustments £	Repayments £	Balance at 31 st March 2002 £
Housing Advances	33,630		2,970	30,660
Sales of Council Houses/Land	384,438		79,751	304,687
Housing Associations	387,980		3,373	384,607
Charities	79,919	80,008	4,225	155,702
Cirencester Town Council	19,224		801	18,423
Employee Car Loans	83,627	110,321	89,845	104,103
	988,818	190,329	180,965	998,182

Employee car loans included within long term debtors represent those instalments due more than 12 months after the balance sheet date. Instalments due within 12 months are shown within debtors (see Note 7). Repayments of employee car loans are not included in the capital discharged transfer from the Capital Financing Reserve to Usable Capital Receipts (as shown in Notes 13 and 17).

Note 6

Stocks & Work in Progress

	31 st March 2001 £	31 st March 2002 £
Office Services	-	1,814
Leisure Centre	8,523	10,492
Stocks for resale at:-		
Cotswold Countryside Collection	9,293	9,106
Corinium Museum	14,081	8,983
Corn Hall	2,080	2,090
Visitor Information Centre - Cirencester	17,874	19,022
- Stow	8,886	11,413
- Moreton	1,263	1,051
- Bourton	2,938	5,127
Fairford Sports Hall	67	32
Chipping Campden Sports Centre	2,200	2,933
Tetbury Sports Centre	293	-
	67,498	72,063

Note 7

Debtors

	31 st March 2001 £	31 st March 2002 £
Government Departments	609,939	774,869
Council Taxpayers/NNDR/Community Charge	870,019	898,765
Sundry Debtors	1,681,493	1,456,969
Employee Car Loans	57,628	65,601
	3,219,079	3,196,204
Bad Debt Provisions:		
Council Taxpayers/NNDR/Community Charge	(293,092)	(209,177)
- Sundry Debtors	(170,480)	(250,040)
	2,755,507	2,736,987

Note 8

Temporary Investments

Amounts shown under this head relate to short term surplus monies deposited for periods of less than one year.

Note 9

Creditors

	31 st March 2001 £	31 st March 2002 £
Council Taxpayers/NNDR/Community Charge-payers	632,275	586,626
Government Departments	164,760	53,245
Sundry Creditors	1,252,231	1,374,669
	2,049,266	2,014,540

Note 10

Deferred Capital Receipts

Deferred capital receipts are amounts that are received in instalments over agreed periods of time. They arise from mortgages on sales of Council houses and from the effect of commutation of specific grants on 1st October 1992 and are to be written off over a number of years. The balance of improvement grants deferred credits have been written off to the revenue account in 2001/2002 as the debt used to finance improvement grants have been terminated.

	31 st March 2001 £	31 st March 2002 £
Mortgages on Sales of Council Houses	382,032	303,306
Improvement Grants - Deferred Credits	0	0
Loans Issued		80,008
	382,032	383,314

Note 11

Capital Receipts

	Usable £	Surplus LSVT £	Total £
Balance at 1 st April 2001	10,608,469	31,635,024	42,243,493
Receipts in the year:-			
Sales of Fixed Assets	1,680,011		1,680,011
Repayment of Advances	91,120		91,120
Housing Association Grant		6,143,177	6,143,177
Financing new expenditure	(6,143,177)	(6,840,841)	(12,984,018)
Commutation Adjustment		(90,000)	(90,000)
Balance at 31st March 2002	6,236,423	30,847,360	37,083,783

Note 11/Continued

Capital Receipts

The authority is debt free and can as a result utilise capital receipts previously set aside for the purpose of repaying debt. Such receipts can be used to finance capital expenditure. An amount equal to the provision previously set aside has therefore been transferred to Surplus LSVT Proceeds to be available for future use.

Note 12

Provision for Credit Liabilities

This account is required to be kept under the Local Government and Housing Act 1989 but following the new capital accounting regulations has been absorbed into the capital financing reserve. A memorandum account is still required to be published.

	£
Balance at 1 st April 2001	31,635,024
Reserved part of capital receipts	6,143,177
Financing of Capital Expenditure	(6,840,841)
Commutation Adjustment	(90,000)
Balance at 31st March 2002	30,847,360

Note 13

Total Movements in Reserves

	REVENUE RESERVES		CAPITAL RESERVES				TOTAL
	Revenue Balances (Note 15) £	earmarked Reserves (Note 14) £	Fixed Asset Restatement Reserve (Note 16) £	Capital Financing Reserve (Note 17) £	Capital Receipts - Usable (Note 11) £	Surplus LSVT Receipts (Note 11) £	
Balance at 1 st April 2001	354,991	6,150,141	(17,512,245)	33,691,917	10,608,469	31,635,024	64,928,297
Net Surplus (Deficit)	(94,244)	(1,529,495)					(1,623,739)
For the Year							
Repayment of Advances					91,120	6,143,177	6,234,297
Loan Written Down			(80,008)				(80,008)
Effects of Fixed Assets Disposals							
Cost or Value of Assets Sold			(326,765)				(326,765)
Asset Disposal Proceeds					1,680,011		1,680,011
			(326,765)		1,680,011		1,353,246
Financing of Fixed Assets				13,035,822	(6,143,177)	(6,840,841)	51,804
Gains (Losses) on Revaluation of Fixed Assets			(474,608)				(474,608)
Commutation Adjustment						(90,000)	(90,000)
Capital Discharged				(91,120)			(91,120)
Deferred Liabilities Written Down				78,726			78,726
Appropriation to Consolidated Revenue Account				(7,781,727)			(7,781,727)
Balance at 31 st March 2002	260,747	4,620,646	(18,393,626)	38,933,618	6,236,423	30,847,360	62,505,168

As the Council is debt free, it is able to fund capital expenditure from capital receipts that were previously set aside as a provision to repay debt. An amount equivalent to this provision was transferred to an account designated as Surplus LSVT Receipts, which will be available to finance future capital expenditure.

Note 14

Earmarked Reserves

		Balance at 1 st April 2001 £	Increase £	Reduction £	Balance at 31 st March 2002 £
1	General Reserve	250,000		92,503	157,497
2	Cotswold Heritage Centre	1,705		1,705	0
3	Museum Service Purchase Fund	11,614		400	11,214
4	Economic Development Fund	70,494		14,250	56,244
5	Graves Maintenance	2,366			2,366
6	Capital Fund	3,695,480	219,136	1,312,389	2,602,227
7	ITNET set-up costs	0	115,629	115,629	0
8	Leisure, Museum & Arts Grant Fund	49,951	62,792	63,663	49,080
9	Building Conservation Fund	109,272	2,815	44,030	68,057
10	Local Plan Fund	228,470	15	48,988	179,497
11	Training Fund	1,853			1,853
12	Water Agency Fund	31,994		31,994	0
13	Building Maintenance Fund	161,903	33,192	195,095	0
14	Repairs & Renewals Fund	41,111	7,990	28,172	20,929
15	Cotswold Tourism Fund	13,870	76,897	63,329	27,438
16	Election Fund	38,629	11,708		50,337
17	Dangerous Structures Contingency	8,358			8,358
18	B.O.T.W. Fund	3,022	4,375	4,463	2,934
19	Planning Appeals and Enforcement	0	55,014	55,014	0
20	Crime Prevention Initiative	38,787	20,000	1,528	57,259
21	Community Services Grant Fund	33,295		17,984	15,311
22	CCTV Fund	16,511		16,365	14,146
23	Health Development Fund	5,893	3,269	3,240	5,922
24	Benefits Central Register	18,951	84,234	39,044	64,141
25	Sustainability Project	2,659	306		2,965
26	Tree Planting ("Orange") Fund	6,414		5,914	500
27	Water Park Fund	31,921	2,884	1,060	33,745
28	Cotswold Water Park Joint Comm. Fund	1,447	4,600	2,704	3,343
29	Cirencester Town Centre Fund	53,736	13,995	14,825	52,906
30	Youth Sport Development Fund	2,125			2,125
31	Contaminated Land Fund	14,276			14,276
32	Rent Deposit Scheme	14,107	2,805	14,602	2,310
33	Market Towns Fund	62,219	5,631	3,783	64,067
34	Stow on the Wold Improvement Fund	20,269	937		21,206

Note 14/Continued

Earmarked Reserves/Continued

		Balance at 1st April 2001 £	Increase £	Reduction £	Balance at 31st March 2002 £
35	Ebrington Banner Appeal Fund	522			522
36	Housing Enabling Fund	5,036	36,923	36,907	5,052
37	CTEP Concept Design Fund	7,000	3,292	978	9,314
38	Redecoration Fund (Corn Hall)	3,540		1,837	1,703
39	Museum Investment Fund	65,629	5,930	71,559	0
40	Member's Training	8,505		3,108	5,397
41	Property Terrier via GIS	14,795		1,733	13,062
42	Environmental Strategy Training	5,698			5,698
43	Local Agenda 21 Consultation	8,000			8,000
44	Energy Conservation Fund	1,593			1,593
45	'Cotswold Connection' Bus Service	1,766			1,766
46	Community Projects Fund	681,546	100,000	149,686	631,860
47	Ward Project Fund	112,663	41,408	50,932	103,139
48	Community Safety	17,648		5,526	12,122
49	Community Survey	6,655			6,655
50	Countryside Fund	17,053	5,914	5,189	17,778
51	Events Officer	32,818	3,046	24,208	11,656
52	Rural Access Fund	61,932		456	61,476
53	Tetbury Dual User Locker Fund	101			101
54	'Just Walk' Fund	3,600		3,600	0
55	Housing Strategy Contributions & Deposits	23,020	7,366	30,386	0
56	Leisure Centre Fund	28,320		28,320	0
57	CCP Old People Fund	0	1,000	500	500
58	Waste Management Contingency	0	145,000		145,000
		6,150,142	985,600	2,515,096	4,620,646

The above items, although constituting part of the General Fund balance, are designated for purposes shown as follows:

- 1 The General Reserve will be used for future financing decisions.
- 2 Cotswold Heritage Centre Fund has been disbursed.
- 3 The Museum Service Purchase Fund is used to purchase exhibits.
- 4 The Economic Development Fund is to assist the maintenance of the working rural lifestyle.
- 5 Graves Maintenance Fund is for the maintenance of graves in perpetuity.
- 6 The Capital Fund is to be used to fund the capital programme.

- 7 The costs associated with ITNET set-up will be funded from the Capital Fund or from contributions from revenue over a five-year period.
- 8 The Leisure, Museum & Arts Grants Fund is used to fund grants for sport & recreation, local history/archaeology and the arts.
- 9 The Building Conservation Fund is used to support statutory action to secure the future of historic buildings at risk.
- 10 The Local Plan Fund is to meet expenses arising from the Local Plan Inquiry.
- 11 The Training Fund will smooth training requirements from year to year.
- 12 The Water Agency Fund has been disbursed.
- 13 The Building Maintenance Fund is used to meet the repairs to offices and buildings and in return charges an economic rent to users.
- 14 The Repairs and Renewals Fund is used to purchase items of equipment or vehicles so that the revenue costs can be equated over 5 years.
- 15 The Cotswold Tourism Fund will promote certain tourism/leisure activities.
- 16 Election Fund will enable the costs of district elections to be spread.
- 17 Dangerous Structures Contingency will provide short-term funding of emergency work.
- 18 Bourton-on-the-Water Fund is for a programme of projects designed to manage the impact of visitors in the village.
- 19 The Planning Appeals and Enforcement Fund is for the legal and consultants' fees associated with planning appeals.
- 20 Crime Prevention Initiative Fund is to allow contributions to assist various crime prevention initiatives undertaken by the Police.
- 21 Community Services Grant Fund is used for one-off or pump priming projects.
- 22 The Closed Circuit Television Fund will help to fund the project in 2002/03.
- 23 The Health of the Nation Fund is used to promote fitness in partnership with local Doctors.
- 24 The Benefits Central Register Fund is used to set up a central register of claimants to help combat Benefit Fraud.
- 25 The Sustainability Project is used to enable village appraisals to be carried out.
- 26 The Tree Planting ("Orange") Fund is for the establishment and subsequent maintenance of off-site landscaping.
- 27 The Water Park Fund enables the countryside management of the Cotswold Water Park.
- 28 The Cotswold Water Park Joint Committee Fund is a 'holding account' into which financial contributions to the Society are paid and from which the Society's expenditure is met.
- 29 Cirencester Town Centre Fund is available for improvement works and other projects to enhance, interpret or promote Cirencester town centre.
- 30 The Youth Sport Development Fund holds the grant from English Sports Council in support of work on Sport Development which is paid annually in September for use over two financial years.
- 31 The Contaminated Land Fund was established to cover the potential costs of preparing a Council Strategy for implementing the new Contaminated Land legislation.
- 32 The Rent Deposit Scheme is used to guarantee rent deposits to landlords in order to encourage housing of priority cases from the Housing Needs Register.
- 33 The Market Towns Fund is used to fund a range of environmental improvements and projects in the Cotswold market towns.
- 34 The Stow on the Wold Improvement Fund was set up to disburse developer's contributions towards environmental improvements to be carried out by the County Council in Stow on the Wold.
- 35 The Ebrington Banner Appeal Fund was established to conserve and restore the banner (and it's two companion banners) so they can be preserved for the future and displayed once again.
- 36 The Housing Enabling Fund was established to help meet the costs of tenant relocation during PRC redevelopment and future enabling/environmental schemes.
- 37 The Concept Design Fund is to help meet the costs of the Cirencester Traffic & Environment Plan.
- 38 The Redecoration Fund is to assist with the costs of decorating the Corn Hall.
- 39 The Museum Investment Fund has been disbursed.
- 40-41 These funds were established from the 1996/97 General Fund Revenue under-spend to finance various projects as approved by Council.
- 42-45 These funds were set up as various one off projects supported by the 1997/98 General Revenue under-spend.
- 46-49 The 1997/98 Investment Income was used to fund a range of projects supported by Council.
- 50 The Countryside Fund supports projects that further the Council's policies in respect of countryside management.
- 51 The Events Officer Fund was established to fund the post of a Corn Hall Events Officer.
- 52 The Rural Access Fund will secure the implementation of projects in the Council's Rural Access Strategy.

- 53 Tetbury Dual User Locker fund was established to fund the replacement of lockers at Tetbury Sports Centre.
- 54 The 'Just Walk' Fund has been disbursed.
- 55 The Housing Strategy contributions and deposits Fund has been disbursed.
- 56 The Leisure Centre Fund (formerly the DSO reserve) has been disbursed.
- 57 The CCP Old People Fund is used for Community Care Projects for senior citizens.
- 58 The waste management contingency fund was established to fund service costs not covered in the waste management contract.

Note 15

Revenue Balances

	Balance at 1 st April 2001 £	Increase £	Reduction £	Balance at 31 st March 2002 £
General Fund Working Balance	331,043	-	87,029	244,014
Collection Fund	23,948	-	7,215	16,733
TOTAL REVENUE BALANCES	354,991	-	94,244	260,747

Any surplus or deficit on the Collection Fund relating to Council Tax is shared between the major precepting authorities.

Note 16

Fixed Asset Restatement Reserve

The freehold and leasehold properties that comprise the authority's property portfolio (excluding Council Houses) were valued as at 31st March 1999 by King Sturge & Co, Chartered Surveyors, on the under-mentioned basis, in accordance with the Statements of Asset Valuation Practice and Guidance Notes of the Royal Institution of Chartered Surveyors. There has been no material change in the value of assets that would require a revaluation.

Operational properties were valued on the basis of the lower of Net Current Replacement Cost or Net Realisable Value and non-operational properties have been valued on the basis of open market value.

	2000/2001 £	2001/2002 £
Balance at 1 st April	(15,934,916)	(17,512,245)
Revaluation of Fixed Assets	53,569	(474,608)
Disposal of Fixed Assets	(1,630,898)	(326,765)
Writing down of loan		(80,008)
Balance at 31st March	(17,512,245)	(18,393,626)

Fixed Asset Restatement Reserve

The balance of the Fixed Asset Revaluation Reserve represents the difference between the valuation of assets under the previous system of capital accounting and subsequent revaluations. The reserve will be written down by the net book value of assets as they are disposed of and debited or credited with the deficits or surpluses arising on future revaluation.

Note 17

Capital Financing Reserve

	2000/2001 £	2001/2002 £
Balance at 1st April	30,868,371	33,691,917
2001/2002 Capital Financing		
- Capital Receipts	8,482,819	12,984,018
- Revenue Contributions to Capital Expenditure	249,484	51,804
Deferred Liabilities written down	35,001	78,726
Appropriation to Consolidated Revenue Account	(5,899,109)	(7,781,727)
Capital Discharged	(44,649)	(91,120)
Balance at 31st March	33,691,917	38,933,618

The capital financing reserve contains the amounts that are required by statute to be set aside from capital receipts for the repayment of external loans and the amount of capital expenditure financed from revenue and capital receipts. The balance on the reserve is reduced as loan debt is repaid.

Note 18

Interest in Companies

A Member of the Council sits on the management committee of Cotswold Water Park Society Limited, a charitable company registered under the Industrial and Provident Societies Act 1965. This Council also contributes towards the running costs of Cotswold Water Park Society Limited by way of a grant.

As the level of control exercised by this Council is not significant, the company is not deemed to be a regulated company and consequently the activities of the company have not been consolidated into the financial statements of Cotswold District Council.

Note 19

Contingent Liabilities

Under the agreement for the transfer of the Council's housing stock to Fosseyway Housing Association in 1997, certain warranties were provided to Fosseyway Housing Association and their funders regarding the condition of the stock transferred. The Council has limited the scope of these warranties by disclosing any issues or encumbrances in respect of each property at the time of transfer. No provision has been made in the accounts as any financial impact is contingent upon future events and is not quantifiable.

The District Auditor has issued a qualification on the Housing Benefit Claim Report because the Housing Benefit System does not fully comply with the regulations of the Department of Works and Pensions. The value, timing and execution of any amendments to that claim are not certain at this moment in time.

Note 20

Post Balance Sheet Events

There is a fundamental post balance sheet event.

- 1 Cotswold District Council is undertaking a corporate review of the services which it provides and the way in which it administers those services. There have been a number of interim reports but the final decision is awaited. The implementation date is April 2003. There are potentially significant changes to be made to the organisation. An example of the type of changes to the Council Services is the decision to close the Cotswold Heritage Centre in Northleach.
- 2 The Council Offices at Trinity Road have recently been refurbished and there is a contractual issue yet to be resolved.

Note 21

Euro Implementation Costs

The Council has not incurred any costs in advance of a potential adoption of the Euro. The potential costs of any implementation will be kept under review.

Note 22 Trust Funds

The Council administers a Trust Fund regarding raising funds for the refurbishment of the Corinium Museum and the Balance Sheet contains a credit entry of £68,580 which represents the net amount of funds raised and deposited with the Council as at 31st March 2002

Note 23 Section 106 Agreements

Section 106 agreements are attached to some planning decisions and some of these agreements have a financial implication. These are now centrally registered and are closely monitored to ensure that any section 106 decisions are fully implemented and that any financial benefit is received by the Council.

CASH FLOW STATEMENT

2000/2001 £000	2001/2002 £000	2001/2002 £000
	REVENUE ACTIVITIES	
	Payments	
8,033	Payments to and on behalf of employees	8,940
24,579	Precepts paid	26,531
16,712	Non-Domestic Rates paid to National Pool	16,593
13,811	Other Operating Costs	16,675
9,925	Housing Benefits paid out	11,029
73,060		79,768
	Receipts	
(347)	Rents (after Rebates)	(335)
(27,020)	Council Tax and Residual Community Charge	(29,050)
(15,705)	Local Non-Domestic Rates	(16,223)
(3,152)	Non-Domestic Rates Received from National Pool	(3,139)
(12,885)	Government Grants (Note 2)	(13,915)
(9,396)	Goods, Services and Other Receipts	(13,046)
68,505		(75,708)
4,555	Net Cash Outflow from Revenue Activities	4,060
	SERVICING OF FINANCE	
	Receipts	
(2,851)	Interest Received	(2,368)
(2,851)	Net Cash Outflow (Inflow) from Servicing of Finance	(2,368)
	CAPITAL ACTIVITIES	
	Payments	
3,843	Purchase of Fixed Assets	5,950
5,181	Payment of Improvement and Other Grants	7,494
0	Advances Made	80
	Receipts	
(3,185)	Sale of Fixed Assets	(1,680)
(45)	Repayment of Advances	(91)
(4,048)	Government Grants (Note 2)	(6,464)
(41)	Other Grants and Receipts (Note 2)	(42)
1,705	Net Cash (Inflow) from Capital Activities	5,247
	MANAGEMENT OF LIQUID RESOURCES	
350	Short Term Investments Purchased/(Realised) (Note 3)	(2,150)
	FINANCING	
2,627	Long Term Investments Purchased (Note 3)	2,055
(6,000)	Long Term Investments Realised (Note 3)	(7,000)
(3,373)	Net (Inflow)/Outflow From Financing Activities	(4,945)
386	Net (Increase)/Decrease in Cash (Note 4)	(156)

NOTES TO THE CASH FLOW STATEMENT

1. Reconciliation of Net Cash Outflow from Revenue Activities

	£000	£000
Deficit per Consolidated Revenue Account		87
Collection Fund Deficit/(Surplus)		7
Adjust for:		
Revenue Financing of Capital Payments	(51)	
(Increase)/Decrease in Revenue Creditors	48	
Increase/(Decrease) in Stocks	5	
Increase/(Decrease) in Revenue Debtors	1,084	
(Increase)/Decrease in Reserves	512	
		1,598
		1,692
Less :		
Interest received		(2,368)
Net Cash Outflow from Revenue Activities		4,060

2. Analysis of Government Grants

	£000
Revenue Grants	
Revenue Support Grant	1,854
DSS Grants for Rebates:	
Council Tax Benefits	2,044
Rent Allowances/Benefits	9,671
Administration	149
HRA Subsidy (Residual)	37
Transitional Relief	2
Cost of Non-Domestic Rate Collection	158
	13,915
Capital Grants	
Specified Capital Grant (Improvement Grants)	321
Housing Association Grant	6,143
	6,464
Home Improvement Agency Grant	42
	6,506

3. Management of Liquid Resources and Financing

	At 31 st March 2001 £000	Investments Purchased £000	Investments Realised £000	At 31 st March 2002 £000
Short Term Investments	3,550		2,150	1,400
Managed Funds	40,895	2,055	7,000	35,950

NOTES TO THE CASH FLOW STATEMENT

4. Net Increase in Cash

	At 31 st March 2001 £000	Movement In the Year £000	At 31 st March 2002 £000
Cash at Bank	33 (172)	20 136	53 (36)
	(139)	156	17

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 Director of Central Services.

To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Director of Central Services' Responsibility:-

The Director of Central Services is responsible for the preparation of the Authority's Statement of Accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain (The Code), is required to present fairly the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31st March 2002.

In preparing this statement of accounts, the Director of Central Services has:-

Selected suitable accounting policies and then applied them consistently;
Made judgements and estimates that are reasonable and prudent;
Complied with the code.

The Director of Central Services has also:-

Kept proper accounting records that are up to date;
Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that the Statement of Accounts on pages 1 to 31 is a relevant Statement of Accounts for 2001/2002 for the Audit Certification and Opinion.

Signed:



R.P.AUSTIN
DIRECTOR OF CENTRAL SERVICES

Date: 20.12.2002.

AUDITOR'S REPORT TO COTSWOLD DISTRICT COUNCIL

We have audited the Statement of Accounts on pages 6 to 31 which has been prepared in accordance with the accounting policies applicable to local authorities as set out on pages 4 and 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR OF CENTRAL SERVICES

As described on page 32 the Director of Central Services is responsible for the preparation of the Statement of Accounts. Our responsibilities as independent auditors are established by statute, the Code of Audit Practice issued by the Audit Commission and our professional ethical guidance.

We report to you our opinion as to whether the Statement of Accounts presents fairly the financial position and results of operations of the Council.

BASIS OF OPINION

We carried out our audit in accordance with the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission, which requires compliance with relevant auditing standards.

Our audit included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Statement of Accounts. It also included an assessment of the significant estimates and judgements made by the authority in the preparation of the Statement of Accounts and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Statement of Accounts is free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Statement of Accounts.

OPINION

In our opinion the Statement of Accounts presents fairly the financial position of the Cotswold District Council at 31st March 2002 and its income and expenditure for the year then ended.

CERTIFICATE

We certify that we have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Signed:



Date: 23rd December 2002

Darren Gilbert
Audit Manager
District Audit