

**LOCAL GOVERNMENT BOUNDARY COMMISSION FOR
WALES**

Commission's report and financial statements

31 March 2005

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FOREWORD TO THE ACCOUNTS

for the year ended 31 March 2005

Statutory Background

The Local Government Boundary Commission for Wales (the Commission) was established under Section 53 of the Local Government Act 1972 for the purposes of keeping under review the areas and electoral arrangements of local government in Wales.

From 1 April 1995 the Commission became an advisory Non-Departmental Public Body funded by Grant-in-aid from the former Welsh Office and since 1 July 1999, an Assembly Sponsored Public Body (ASPB).

The Commission's general function, as set out in the 1972 Act, is to "make proposals to the National Assembly for Wales for effecting changes appearing to the Commission desirable in the interests of effective and convenient local government".

The main duties under statute are:

- i) To keep under review all local government areas in Wales for the purpose of considering whether or not to propose to the National Assembly for Wales changes appearing to the Commission desirable in the interests of effective and convenient local government;
- ii) To consider requests for reviews from local authorities as well as recommendations from principal councils arising out of their own community reviews;
- iii) To consider the results of reviews carried out by either the Commission or local authorities and make recommendations to the National Assembly for Wales;
- iv) To conduct a review of Wales as a whole, or of any one or more local government areas or parts of such areas in Wales, as directed by the National Assembly for Wales; and
- v) Under provisions of the new Section 64 inserted in the 1972 Act by Section 6 of the Local Government (Wales) Act 1994 as soon as practicable after the ordinary election of councillors for any of the Welsh principal areas as held in 1995 to:
 - a) Review the electoral arrangement for that area with a view to considering future electoral arrangements; and
 - b) Formulate proposals for these arrangements.

The accounts have been prepared in accordance with an Accounts Direction by the National Assembly for Wales, with the agreement of the Treasury.

Review of Activities

Boundary reviews were the major part of the Commission's work during the year. As detailed in the Annual Report, the Commission commenced a review of the boundary between Pembrokeshire and Ceredigion.

Principal councils are responsible for undertaking reviews of community areas and community electoral arrangements. In 2004/05 the Commission commenced a review of the boundary between the Communities of Brackla and Coity Higher in the County Borough of Bridgend after Ministerial Direction. In March 2005 the Commission received directions from the National Assembly for Wales to review the boundary between the Communities of Dyffryn Clydach and Blaenhonddan in the County Borough of Neath Port Talbot.

The Commission discharged their corporate management obligations in accordance with their Management Statement and Financial Memorandum, the Commissioners' Code of Best Practice and the Welsh Language Scheme. The post of Secretary continued as part-time to reflect the level of work being undertaken following the completion of the programme of electoral reviews.

Boundary Commission for Wales

From 1 January 2002 the Commission's Secretariat undertook responsibility of providing a Secretariat to the Boundary Commission for Wales for its Fifth General Review of the Parliamentary constituencies in Wales under a Memorandum of Agreement between the Commission, the National Assembly for Wales, the Department for Transport, Local Government and the Regions and the Office of National Statistics. The Boundary Commission for Wales' Fifth General Review started in December 2002 and was completed on 31st January 2005.

Under the Memorandum of Agreement expenditure incurred by the Secretariat of the Boundary Commission for Wales will be met by the Commission's Grant-in-Aid and reclaimed from the Office of the Deputy Prime Minister by the National Assembly for Wales. During 2004/05 the Commission's expenditure relating to the Boundary Commission for Wales was £77,011 (2003-04; £77,223), disclosed in notes 3 and 4 to the accounts.

Results and Appropriations

The surplus for the period amounted to £569 (2003-04; deficit £4,198) and was transferred to reserves. Government funds at 31 March 2005 amounted to £20,945 (2003-04; £27,787).

Payment Policy

The Commission's payment policy is to pay all invoices within 30 days of receipt. This policy is in accordance with the requirements laid down in Government Accounting and follows the Better Payment Practice Code issued by the Department of Trade and Industry. In 2004/2005, the Commission received 185 invoices and paid 100 % of these within 30 days.

Future Developments

Further reviews of electoral arrangements will be dependent upon any directions, which may be issued by the National Assembly for Wales or requests from principal councils.

The Commission have an ongoing obligation to keep under review the areas of principal councils and to give consideration to any recommendations made by principal councils in respect of community area reviews undertaken by them.

Commission Members

The Commission Members during the current year were:

Mrs S G Smith LLB	(Chair)
Mr J E Davies ICSA IPFA	(Deputy Chair)
Mr D H Roberts BSc DMS MBCS MCMI	(Member)

Their appointments were renewed on 1st January 2005. The appointment of the Chair is for a fixed term of 4 years and runs until 31st December 2008. The appointment of the Member is for a fixed term of 3 years and runs until 31st December 2007. The appointment of the Deputy Chair is for a fixed term of 2 years and runs until 31st December 2006.

Register of Interests

A register of company directorships and other significant interests is maintained and held at the Commission's offices in Caradog House, Cardiff and is available for inspection by the public on request. Alternatively, the register can be accessed from the Commission's web site at:

www.lgbc-wales.gov.uk

Appointment of Auditors

The accounts of the Commission are audited by the Auditor General for Wales as required by the Government for Wales Act 1998 and Statutory Instrument 2003 number 749 made thereunder. Audit fees are disclosed in Note 4 to these accounts.

The Audit Committee is chaired by Mr J E Davies. Mrs S G Smith and Mr D H Roberts also serve as members of the Audit Committee. The Audit Committee's main duties are to consider the effectiveness of the Commission's overall internal control and risk management systems and to ensure adequate processes and mechanisms are in place for the assessment and management of risk. It considers the scope of audit coverage and adequacy of management responses to the audit recommendations and advises the Secretary on audit and compliance matters. The Audit Committee met on three occasions during the year 2004-05.

Edward H Lewis

EDWARD H LEWIS

Accounting Officer

22 June 2005

STATEMENT OF THE COMMISSION'S AND THE SECRETARY'S RESPONSIBILITIES

The Commission is required to prepare a statement of accounts in the form and on the basis determined by the National Assembly for Wales with the consent of the Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the Commission's state of affairs at the year-end and of their income and expenditure, total recognised gains and losses, and cash flows for the financial year.

In preparing the accounts the Commission is required to:

- i) Observe the accounts direction issued by the National Assembly for Wales with the consent of the Treasury including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- ii) Make judgements and estimates on a reasonable basis;
- iii) State whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements;
- iv) Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the entity will continue in operation; and

The Accounting Officer for the National Assembly for Wales has designated the senior official, the Secretary, as the Accounting Officer for the Commission. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, as set out in the National Assembly for Wales Accounting Officers' Memorandum issued by the Treasury.

STATEMENT ON INTERNAL CONTROL

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Commission's policies, aims and objectives, set by the Assembly Minister, whilst safeguarding the public funds and Commission's assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting.

The Commission's risk management register is reviewed regularly by the Audit Committee. The Commission liaises with their sponsor division in the National Assembly for Wales also. As Accounting Officer, I meet regularly with the Permanent Secretary of the Assembly providing me with the opportunity to raise any issue of concern with him.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Commission's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Commission for the year ended 31 March 2005 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to handle risk

As Accounting Officer, I lead the risk management process through regular internal reviews and through maintaining a risk register. Staff are trained or equipped to manage risk in a way appropriate to their authority and duties. The guidance issued is in the form of comprehensive desk instructions, which are periodically updated. Audit reviews are examined to identify any improvements that can be made to working practices.

The risk and control framework

The key elements of the risk management strategy are through a local assessment of risks. The way in which the Commission's risks are identified, evaluated and controlled are by maintaining a risk register with risk appetites and risk priorities being determined by discussion with the Audit Committee. The key ways in which risk management is embedded in the activity of the organisation are through regular team meetings.

Review of effectiveness

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Commission who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place. Key factors in the process are:-

- The establishment of key risk indicators;
- The maintenance of a risk register;
- Reports from the Accounting Officer to the Audit Committee on internal control activities;
- An Audit Committee which meets three times per annum;
- Management meetings held monthly to consider plans and strategic direction of the Secretariat.

In 2003 the Commission's information system was replaced by that used by the National Assembly for Wales. This system is maintained by National Assembly for Wales contractors thereby reducing the risk of system failure.

Edward H Lewis

EDWARD H LEWIS
Accounting Officer
22 June 2005

THE CERTIFICATE AND REPORT OF THE AUDITOR GENERAL FOR WALES TO MEMBERS OF THE NATIONAL ASSEMBLY FOR WALES

I certify that I have audited the financial statements on pages 9 to 19 in accordance with the Government of Wales Act 1998 and Statutory Instrument 2003/749. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 13 and 14.

Respective responsibilities of the Commission, the Secretary and Auditor

As described on page 4 the Commission and Secretary are responsible for the preparation of the financial statements and for ensuring the regularity of the financial transactions. The Commission and Secretary are also responsible for the preparation of the Foreword. My responsibilities, as independent auditor, are guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Statutory Instrument 2003/749 and directions made thereunder by the National Assembly for Wales and whether in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Commission has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the statement on pages 5 and 6 reflects the Commission's compliance with Treasury's guidance on 'Corporate governance: statement on internal control'. I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered whether the Accounting Officer's Statement on Internal Control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Commission's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Commission and Secretary in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Commission's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them. In forming my opinion, I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- i) the financial statements give a true and fair view of the state of affairs of the Local Government Boundary Commission for Wales at 31 March 2005 and of the surplus, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with Statutory Instrument 2003/749 and directions made thereunder by the National Assembly for Wales; and
- ii) in all material respects the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

Jeremy Colman

Jeremy Colman
Auditor General for Wales
23 June 2005

Wales Audit Office
2-4 Park Grove
Cardiff
CF10 3PA

LOCAL GOVERNMENT BOUNDARY COMMISSION FOR WALES

INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 March 2005

	Notes	2005	2004
		£	£
GROSS INCOME			
Grant-in-aid	2	288,365	301,901
Transfer from Government Grant Reserve	8	8,329	9,912
		<u>296,694</u>	<u>311,813</u>
EXPENDITURE			
Staff costs	3	133,725	132,911
Depreciation	5	8,329	9,912
Notional cost of capital charge		675	969
Other operating charges	4	154,384	173,305
		<u>297,113</u>	<u>317,097</u>
Operating surplus/(deficit)		(419)	(5,284)
Interest received		221	159
Profit on disposal of fixed assets		278	145
Reversal of notional cost of capital charge		675	969
Amount surrendered to National Assembly for Wales		(186)	(187)
Surplus/(deficit) for the year transferred to reserves		<u>569</u>	<u>(4,198)</u>
STATEMENT OF RETAINED RESERVES			
Retained surplus brought forward		4,797	8,995
Surplus/(deficit) for the year		569	(4,198)
Retained surplus carried forward		<u>5,366</u>	<u>4,797</u>

All activities are classed as continuing

The notes on pages 13 to 19 form part of these accounts.

LOCAL GOVERNMENT BOUNDARY COMMISSION FOR WALES

BALANCE SHEET as at 31 March 2005

	Notes	2005		2004	
		£	£	£	£
FIXED ASSETS					
Tangible Fixed Assets	5		15,579		22,990
CURRENT ASSETS					
Debtors and prepayments	6	1,882		690	
Cash at bank and in hand		35,442		18,424	
		<u>37,324</u>		<u>19,114</u>	
CREDITORS					
Amounts falling due within one year	7	<u>(31,958)</u>		<u>(14,317)</u>	
NET CURRENT ASSETS			5,366		4,797
TOTAL NET ASSETS			<u><u>20,945</u></u>		<u><u>27,787</u></u>
FINANCED BY					
Government Grant Reserve	8		15,579		22,990
Income and Expenditure Account	8		5,366		4,797
GOVERNMENT FUNDS			<u><u>20,945</u></u>		<u><u>27,787</u></u>

The notes on pages 13 to 19 form part of these accounts.

Edward H Lewis

EDWARD H LEWIS
Secretary and Accounting Officer
22 June 2005

LOCAL GOVERNMENT BOUNDARY COMMISSION FOR WALES

CASH FLOW STATEMENT for the year ended 31 March 2005

Reconciliation of operating surplus to net cash inflow from operating activities

	Notes	2005	2004
		£	£
Operating deficit		(419)	(5,284)
Adjustment for notional charge – cost of capital		675	969
Depreciation		8,329	9,912
(Increase)/decrease in debtors		(1,192)	50,447
Increase/(decrease) in creditors		17,641	(45,979)
Transfer from Government Grant Reserve		(8,329)	(9,912)
Net cash inflow from operating activities		16,705	153

CASH FLOW STATEMENT

Net cash inflow from operating activities	16,705	153
Returns on investment	221	159
Servicing of finance	(186)	(187)
Capital expenditure	(918)	(511)
Receipts from the disposal of fixed assets	278	145
Financing	918	511
Increase in cash	17,018	270

Reconciliation of net cash flow to movement in net funds

Increase in cash for the period	17,018	270
Net funds at 1 April 2004	18,424	18,154
Net funds at 31 March 2005	35,442	18,424

The notes on pages 13 to 19 form part of these accounts.

LOCAL GOVERNMENT BOUNDARY COMMISSION FOR WALES

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 March 2005

	2005	2004
	£	£
Surplus/(deficit) for the financial year	569	(4,198)
Movement in Government Grant Reserve	(7,411)	(9,401)
Total recognised losses for the year	<u>(6,842)</u>	<u>(13,599)</u>

The notes on pages 13 to 19 form part of these accounts.

LOCAL GOVERNMENT BOUNDARY COMMISSION FOR WALES

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2005

1. ACCOUNTING POLICIES

1.1 Accounting Convention

The accounts are prepared under the historical cost convention. Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Act 1985 and the accounting standards issued or adopted by the Accounting Standards Board so far as those requirements are appropriate. The Commission is exempt from the requirement to produce a note of historical cost profits and losses under Financial Reporting Standard No. 3.

1.2 Valuation of fixed assets

Fixed assets are stated at their value to the Commission by reference to historic cost less depreciation. Fixed assets are capitalised at the cost of acquisition and installation where that cost exceeds £500. In the opinion of the Commission, there is no material difference between the historic and current replacement cost of office furniture and equipment. Computer software costs are written off as incurred.

1.3 Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation over their estimated useful lives as follows:

Computer equipment	5 years
Office furniture and equipment	5 years

1.4 Government Grants

Grants of a revenue nature are credited to income in the year to which they relate.

Government grants receivable for capital expenditure are credited to the Government Grant Reserve and released to the income and expenditure account over the expected useful lives of the relevant assets by equal amounts.

1.5 Value Added Tax (VAT)

The Commission is not registered for VAT. All expenditure and fixed asset purchases are inclusive of relevant VAT.

1.6 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes which are described in note 3. The defined benefit schemes are unfunded and are non-contributory except in respect of dependents' benefits. The Commission recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employee's services by payment to the Principal Civil Service Pension Schemes (PCSPS) of amounts calculated on an accruing basis. Liability for payments of future benefits is a charge on the PCSPS.

1.7 Notional Charges

Cost of Capital

As directed by the National Assembly for Wales, a notional capital charge reflecting the cost of capital employed is included in operating costs and calculated at 3.5% of average capital employed.

1.8 Management of Financial Risk

The Commission has no borrowings and relies primarily on National Assembly grants for its cash requirements and is therefore not exposed to liquidity risks. It also has no material deposits and all material assets and liabilities are denominated in sterling, so it is not exposed to interest rate risk or currency risk.

2. GRANT-IN-AID

	2005 £	2004 £
Grant-in-aid received from the National Assembly for Wales	289,283	302,412
Grant-in-aid applied for capital expenditure	(918)	(511)
	<u>288,365</u>	<u>301,901</u>

3. STAFF AND MEMBERS' COSTS

	2005 £	2004 £
i) Staff and Members' Costs		
Commission Members' Remuneration	12,049	12,075
Salaries	99,775	99,709
Employers National Insurance	8,217	7,912
Other Pensions costs	13,684	13,215
Total	<u>133,725</u>	<u>132,911</u>
Average number of staff employed during the financial year	<u>5</u>	<u>5</u>

The above costs include £44,361 (2003-04; £46,914) in respect of staff resources expended on behalf of the Boundary Commission for Wales.

ii) Commission Members' Remuneration

The Commission members' remuneration related entirely to services rendered during the year. No pension contributions were made.

The emolument of the Chairman of the Commission was £3,227 (2003-04: £3,630). The other members of the Commission received less than £5,000 each.

iii) **Salaries and Pensions**

The Commission's senior staff are not Company Directors within the meaning of the Companies Acts, to which the "Greenbury Code" on disclosure of remuneration, etc. is addressed. The Commission's senior staff have signed standard Assembly employment contracts which do not provide for publication of private information on their remuneration, etc. Furthermore, all Commission employees have statutory rights to privacy under the Data Protection Acts and Human Rights legislation. Consequently, the senior staff have withheld their consent to publication of their private details, as allowed by HM Treasury's instruction DAO (GEN) 12/00.

The present Secretary took office on 1 April 2001 under a two and one half year, fixed term contract (renewable), based upon a three-day working week. His contract was renewed as open ended from 1 October 2003. The Secretary's Salary is inclusive of a performance bonus. The Secretary is an ordinary member of the Principal Civil Service Pension Scheme. The employer's contributions to the scheme amounted to 16.5% of the Secretary's salary.

iv) **Pensions**

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Commission is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2003. Details can be found in the resource accounts of the Cabinet Office : Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2004-05, employers' contributions of £13,684 were payable to the PCSPS (2003-04 £13,215) at one of four rates in the range 12 to 18.5 per cent of pensionable pay, based on salary bands. Rates remained the same for 2004-05 but will increase from 2005-06. Employer contributions are to be reviewed every four years following a full scheme valuation by the Government Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Pension benefits are provided through the Civil Service pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based "final salary" defined benefit schemes, (**classic**, **premium**, and **classic plus**). New entrants after 1 October 2002 may choose between membership of **premium** or joining a good quality "money purchase" stakeholder based arrangement with a significant employer contribution (**partnership pension account**).

Classic Scheme : Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. Members pay contributions of 1.5 per cent of pensionable earnings. On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical

retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

Premium Scheme : Benefit accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum, but members may commute some of their pension to provide a lump sum of up to a maximum of 3/80ths of final pensionable earnings for each year of service or 2.25 times pension if greater (the commutation rate is £12 of lump sum for each £1 of pension given up). For the purposes of pension disclosure the tables assume maximum commutation. Members pay contributions of 3.5 per cent of pensionable earnings. On death, pensions are payable to the surviving spouse or eligible partner at a rate of 3/8ths the member's pension (before any commutation). On death in service, the scheme pays a lump-sum benefit of three times pensionable earnings and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction. Where the member's ill health is such that it permanently prevents them undertaking any gainful employment, service is enhanced to what they would have accrued at age 60.

Classic Plus Scheme : This is essentially a variation of **premium**, but with benefits in respect of service before 1 October 2002 calculated broadly as per **classic**.

Pensions payable under **classic**, **premium**, and **classic plus** are increased in line with the Retail Prices Index.

Of the Commission's staff three are members of the Classic Scheme and two are members of the Classic-Plus Scheme.

v) **Benefits-in-Kind and Gifts Register**

None of the Commission's staff received any benefits-in-kind during the year. The Commission also operates a gifts register. No gifts were received during the year.

4. OTHER OPERATING COSTS

	2005	2004
	£	£
Travel and Subsistence:		
Staff	4,195	1,658
Commission members	7,165	6,150
Course Fees and Staff Training	1,705	1,379
Auditor General for Wales – annual audit fee	5,800	4,800
– other audit fees	588	588
Other Audit Fees	3,986	2,053
Advertising	1,887	8,696
Translation	2,838	5,178
Printing, postage and stationery	7,810	17,251
Telephone and contracts	1,042	1,505
Accommodation costs	80,949	72,240
Hire of office machinery	956	1,396
Legal and professional	5,177	5,129
Non-capital computer costs	14,142	44,689
Mapping Development Costs	15,100	-
Other	1,044	593
	<u>154,384</u>	<u>173,305</u>

The above costs include £32,649 (2003-04; £30,309) in respect of travel and subsistence, printing, telephone and accommodation expended on behalf of the Boundary Commission for Wales.

5. TANGIBLE FIXED ASSETS

	Computer Equipment £	Office Furniture & Equipment £	Total £
Cost or Valuation			
At 1 April 2004 (restated)	54,024	19,440	73,464
Additions	918	-	918
Disposals	(4,697)	(536)	(5,233)
At 31 March 2005	<u>50,245</u>	<u>18,904</u>	<u>69,149</u>
Depreciation			
At 1 April 2004 (restated)	31,402	19,072	50,474
Provided during the year	8,145	184	8,329
Eliminated on disposal	(4,697)	(536)	(5,233)
At 31 March 2005	<u>34,850</u>	<u>18,720</u>	<u>53,570</u>
Net Book Value			
At 31 March 2005	<u>15,395</u>	<u>184</u>	<u>15,579</u>
At 1 April 2004	<u>22,622</u>	<u>368</u>	<u>22,990</u>

At 31 March 2005 the Commission had made a commitment to purchase new furniture valued at £15,200 including VAT and also to undertake refurbishment of the Commission's

offices costing £31,000.

During the year fully depreciated and obsolete IT equipment were disposed of realising profits of £278.

6. DEBTORS AND PREPAYMENTS

	2005 £	2004 £
Other debtors	-	11,040
Provision for doubtful debtors	-	(11,040)
Prepayments	<u>1,882</u>	<u>690</u>
	<u><u>1,882</u></u>	<u><u>690</u></u>

In 2004-05 the Commission, with approval of the National Assembly for Wales, wrote off the doubtful debt of £11,040.

At 31 March 2005 the Commission did not hold any debtor balances with other public sector bodies.

7. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Trade creditors	7,203	5,880
Taxation and social security	2,579	2,214
Accruals	<u>22,176</u>	<u>6,223</u>
	<u><u>31,958</u></u>	<u><u>14,317</u></u>

At 31 March 2005 the Commission did not hold any creditor balances with other public sector bodies.

8. MOVEMENTS IN GOVERNMENT FUNDS

	Government Grant Reserve	Income & Expenditure Account	Total
	£	£	£
Surplus for the year	-	569	569
Grant applied to capital expenditure	918	-	918
Grant released to operating income	<u>(8,329)</u>	-	<u>(8,329)</u>
Movement in Government Funds for the year	(7,411)	569	(6,842)
Government Funds at 1 April 2004	<u>22,990</u>	<u>4,797</u>	<u>27,787</u>
Government Funds at 31 March 2005	<u><u>15,579</u></u>	<u><u>5,366</u></u>	<u><u>20,945</u></u>

9. OPERATING LEASES

The annual cost of the Commission's accommodation rental lease was £71,215 (2003-04 £71,144).

10. SPECIAL PAYMENTS AND LOSSES

The Commission did not make any special payments in 2004-05. It did incur one loss in 2004-05 due to theft. The cost of the stolen item was £253.

11. RELATED PARTY TRANSACTIONS

The National Assembly for Wales is regarded as a related party. During the year, the Commission has had various material transactions with the National Assembly for Wales.

The Secretariat of the Commission also acts as Secretariat to the Parliamentary Boundary Commission for Wales (BCW). The BCW is an Non-Departmental Public Body sponsored by the Office of the Deputy Prime Minister (ODPM). The ODPM is regarded as a related party.

The Commission has no other related party transactions.

None of the Commission members, key managerial staff or other related parties has undertaken any material transactions with the Commission during the year.