

Yeovil Town Council



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The Meeting... **Policy, Resources and Finance Committee**

The Time... **7.00pm** (or at the close of the Town Council meeting - whichever is later)

The Date... **Tuesday 29 June 2010**

The Place... **Town House, 19 Union Street, Yeovil**

If you need this information in large print, Braille, audio or another language, please ring 01935 382424



QUALITY
TOWN
COUNCIL

Alan Tawse

Alan Tawse

Town Clerk

23 June 2010

Please contact Alan Tawse at the Town House for more information about this meeting

To All Members of the Policy, Resources & Finance
Committee:

J Vincent Chainey
Philip Chandler (Ex-officio)
Clive Davis (Ex-officio)
Bridget Dollard
Tony Fife (Vice-Chairman)
John Grana
Steve Hawker
Andrew Kendall
Tony Lock
Ian Martin
Pat Martin
Wes Read
David Recardo (Chairman)
Alan Smith

A G E N D A

Public Comment (15 Minutes)

1. MINUTES

To confirm as a correct record the Minutes of the previous meeting held on 25 May 2010.

2. APOLOGIES FOR ABSENCE

3. DECLARATIONS OF INTEREST

4. FINAL ACCOUNTS – 2009/10

Attached to this report (pages 1 to 21) is a draft copy of the Annual Statement of Accounts for the year ended 31 March 2010. For the tenth year running, these have been prepared on a full accruals basis – consolidating revenue and capital expenditure. A copy of the Annual Return, which includes key extracts from the accounts and which the Town Council is required to submit to the External Auditor, is also attached at page 22.

(In the interests of economy, copies of the Income and Expenditure accounts are only being circulated upon request).

The Consolidated Revenue Account has been adjusted to reflect appropriated expenditure arising from deferred charges (expenditure which does not result in or remain matched with tangible assets) and the adjustments arising from S.137 expenditure – which need to be identified separately.

An operating surplus of £53,720 has been achieved and added to the General Fund which, after taking other movements into account, has resulted in a closing balance of £168,709.

However, this includes a number of unforeseen variations, planned underspends and budget carry forwards as follows:

Item	Adjusted Budget	Actual Outturn	Variation	Comments
Contingencies	£43,180	£30,049	£13,131	To meet unforeseen/unplanned expenditure
Courses/Conferences	£5,400	£2,284	£3,116	Reduction in national conferences attended
Grants	£25,468	£15,875	£9,593	Total grants allocated - Included £5,468 carried forward from previous financial year
Public Toilets	£14,000	£9,524	£4,476	New budget - first year of operation
Milford Community Hall	£15,000	£6,743	£8,257	Hall temporarily closed for redevelopment
Environmental Improvements	£8,000	£0	£8,000	Planned carry forward
Total			£46,573	

After taking these factors into consideration, the surplus amounts to £7,147, which equates to 0.8% of the Council's overall precept for that financial year.

The Capital Fund stands at £113,084 and, at the year-end, was almost fully committed to new projects.

During the year, a ten-year loan was taken out at a fixed-rate of 2.89% to meet the Town Council's agreed contributions towards the following capital projects, and revenue provision has been made in the relevant budget to meet the repayments:

Construction of new public toilets in Peter Street	£100,000
Upgrade of Yew Tree Park play area	£80,000
Redevelopment of Milford Community Hall	£85,000

This Fund will in time be boosted by the capital receipts arising from the planned sale of the former Goldcroft Allotment Site and, depending on the final disposal arrangements, potentially from the former Ski and Activity Centre.

Creditor provision has been made for a number of projects, including £63,396 towards the upgrade of the Yew Tree Park play area.

The Town Council's Asset Register has continued to be amended in line with the recommendation of the Audit Commission to include assets acquired in respect of Yeovil Cemetery – on the basis that the Town Council is the principal owner of the facility.

Members are **RECOMMENDED**:

- (1) to note the position concerning the £53,720 operating budget surplus for the year ended 31 March 2010;
- (2) to note the position regarding the General Reserve, the Capital Fund and the Asset Register; and
- (3) to receive and approve the Statement of Accounts for 2009/10, and the Annual Return for that period..

5. **ANNUAL GOVERNANCE STATEMENT**

As part of the new intermediate audit arrangements, the Council is required to make an Annual Governance Statement regarding the preparation and approval of the Statement of Accounts and related matters. The Governance Statement is attached at page 23.

Members are **RECOMMENDED** to approve the attached Governance Statement for 2009/10.

Public Comment (15 Minutes)

YEOVIL TOWN COUNCIL

DRAFT Accounts for the year ended 31 March 2010

Explanatory Foreword

The Council's accounts for the year ended 31 March 2010 are set out on the following pages:

They consist of:

- The Recital of Responsibilities for the Statement of Accounts – setting out the Council's and the Finance Officer's responsibilities for financial matters relating to the Council – including the preparation of the Statement of Accounts.
- Statement on the System of Internal Financial Control – outlining the arrangements that the Council has made for an effective system of internal financial control to be maintained and operated.
- External Auditor's Certificate and Opinion – setting out the arrangements that have been made for the Annual Return to be audited by an independent external auditor; the approach followed by that auditor in undertaking the process and the findings and conclusions of the external auditor.
- Statement of Accounting Policies – outlining the accounting policies and conventions that have been followed in the preparation of the Statement of Accounts.
- The Consolidated Revenue Account – showing the income and expenditure on all the services for which the Council is responsible, and how the cost has been financed.
- The Consolidated Balance Sheet – setting out the financial position of the Council at 31 March 2010 with regard to its assets and liabilities.
- The Cash Flow Statement – summarising the inflows and outflows of cash arising from revenue and capital transactions with third parties.

These accounts have been drawn up in accordance with the Statement of Recommended Practice (SORP) issued by the Chartered Institute of Public Finance (CIPFA).

The accounts are supported by the Statement of Accounting Policies and various notes to the accounts.

YEOVIL TOWN COUNCIL

Accounts for the year ended 31 March 2010

Recital of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required:-

- To make arrangements for the proper administration of its financial affairs;
- To appoint one of its officers as Responsible Finance Officer to administer those affairs. (In the case of Yeovil Town Council that Officer is the Town Clerk, although he delegates day-to-day responsibility to the Finance Administrator);
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard assets.

The Finance Officer's Responsibilities

The Finance Officer is responsible for the preparation of the Council's statement of accounts which, according to 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 Council at the accounting date and its income and expenditure for the year ended 31 March 2010.

In preparing this statement of account, the Finance Officer must have:

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

The Finance Officer must also have:

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

Responsible Finance Officer's Certificate

I hereby certify that the statement of accounts for the year ended 31 March 2010 required by the Accounts and Audit Regulations 2003 (as amended by the Accounts and Audit (Amendment) (England) Regulations 2006) are set out on the following pages.

Signed

Dated: 29 June 2010

Alan Tawse
Responsible Finance Officer

YEOVIL TOWN COUNCIL

STATEMENT ON THE SYSTEM OF INTERNAL FINANCIAL CONTROL

Statement on the System of Internal Financial Control

This statement is given in respect of the statement of accounts for Yeovil Town Council. I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.

The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. Officers within the Council undertake development and maintenance of the system. In particular, the system includes:

- Comprehensive budgeting systems;
- Regular reviews of periodic and annual financial reports which indicate financial performance against the forecasts;
- Setting targets to measure financial and other performance;
- The preparation of regular financial reports that indicate actual expenditure against the forecasts.

Henry Lovegrove, CPFA – an independent qualified accountant specialising in the field of providing internal audit services to town and parish councils - has been appointed to carry out the function of internal audit. He assesses the effectiveness of management and financial control systems covering virtually all aspects of the Authority's work and his findings are reported to the Policy, Resources and Finance Committee.

My review of the effectiveness of the system of internal financial control is informed by:

- The work of officers with the Council;
- The work of the internal auditor as described above; and
- The external auditors in their annual audit letter and other reports.

Signed:

Dated: 29 June 2010

Alan Tawse
Responsible Finance Officer

YEOVIL TOWN COUNCIL

EXTERNAL AUDITORS' CERTIFICATE AND OPINION

Certificate

We certify that we have completed the audit of the Annual Return for the year ended 31 March 2010 of Yeovil Town Council.

Respective responsibilities of the Council and the Auditor

The Council is responsible for the preparation of the accounts in accordance with the requirements of the Accounts and Audit Regulations and for the preparation of an annual return which:

- Summarises the Council's accounting records for the year ended 31 March 2010; and
- Confirms and provides assurance on those matters that are important to our audit responsibilities.

Our responsibility is to conduct an audit in accordance with guidance issued by the Audit Commission and, on the basis of our review of the Annual Return and supporting information, to report whether any matters that come to our attention give cause for concern that relevant legislation and regulatory requirements have not been met.

External Auditor's Report

(Except for the matters reported below)* on the basis of our review, in our opinion the information contained in the Annual Return is in accordance with the Audit Commission's requirements and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met (*delete as appropriate).

Other matters not affecting our opinion which we draw to the attention of the Town Council:

External Auditor's signature:

External Auditor's name: Moore Stephens – Chartered Accountants

Date:

YEOVIL TOWN COUNCIL

STATEMENT OF ACCOUNTING POLICIES

General

These accounts have been drawn up in accordance with the Statement of Recommended Practice (SORP) issued by the Chartered Institute of Public Finance (CIPFA).

Accounting Convention

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in Great Britain (the code), which is recognised by statute as representing proper accounting practices. These practices are further set out in the Statement of Recommended Practice on Local Authority Accounting in Great Britain (the SORP), together with the Best Value Code of Accounting Practice (BVACOP) where applicable.

The accounts have been prepared under the historical cost convention as modified by the revaluation of land and buildings.

It is also a requirement of the code that service revenue accounts include capital charges for all fixed assets used in the delivery of services (See Note 2).

Fixed Assets

All expenditure on the acquisition, creation or enhancement of fixed assets is capitalised on an accruals basis in the accounts. Expenditure on fixed assets is capitalised, provided that the fixed asset yields benefits to the Council and the services it provides for a period of more than one year. Fixed assets are valued on the basis recommended by CIPFA and in accordance with the Statements of Asset Valuation Principles and Guidance Notes issued by the Royal Institution of Chartered Surveyors (RICS). In 2007, a revaluation of properties was carried out by Symonds and Sampson (Chartered Surveyors) and a revaluation of civic regalia by Bonhams (Fine Art Auctioneers and Valuers).

The closing balances are stated on the following basis:

- land and other operational properties are included in the balance sheet at open market value for the existing use; and
- vehicles, plant, and equipment are included in the balance sheet at historical cost, net of depreciation.

The surplus arising on the initial valuation of fixed assets has been credited to the Fixed Assets Restatement Reserve. Subsequent revaluations of fixed assets are planned at five yearly intervals, although material changes to asset valuations will be adjusted in the interim period, should they occur.

A de minimis limit of £1,000 has been set for the capitalisation of expenditure.

Depreciation is charged on all assets of the Council - including Buildings (in accordance with the 2000 SORP). The depreciation charge is taken to the Asset Management Revenue Account.

In accordance with accepted practice, depreciation on buildings is charged at 2% of their value and is spread over fifty years. Depreciation on plant, playground and other equipment is charged at 20% over five years.

Basis of Charges for Capital

The Council has a loan from the Public Works Loan Board. This was for £265,000 (£264,907 plus £93 arrangement fee) borrowed on 1 June 2009 at a fixed interest rate of 2.89%, to be repaid over 10 years. The loan was for a number of capital projects – the provision of public toilets in Peter Street; the upgrade of the Yew Tree Park Play Area and the redevelopment of Milford Community Hall. The repayment charged in the accounts for 2009/10 amounted to £15,351. The last payment on the loan is due on 1 June 2019.

Leases

The Council has no commitments under finance leases. Rentals payable under operating leases are charged to revenue on an accruals basis.

Debtors and Creditors

The revenue accounts of the Council are maintained on an accruals basis in accordance with the Code of Accounting Practice. The accounts include sums due to or from the Council, whether or not the cash has actually been received or paid during the year.

Pensions

The pension costs that are charged in the Council's accounts in respect of its employees are equal to the contributions paid to the funded pension scheme for these employees. These contributions are determined by the Fund's actuary on a triennial basis and are set to meet 100% of the liabilities of the Superannuation Fund, in accordance with relevant Government regulations.

The 2003 SORP (FRS 17) has placed an obligation on larger local authorities to disclose the impact of their pension obligations in their final accounts.

In accordance with guidance issued by CIPFA, it is not expected that individual Local Government Pension Scheme (LGPS) Employer contribution rates will have been set for such authorities, as the Fund Actuary will not be able to separately identify the assets/liabilities in the Fund for such bodies on a consistent and reasonable basis. As a consequence, it is assumed that disclosures should be on a direct charge basis.

As far as the Town Council is concerned, during the year the Employer contribution rate for those town and parish councils in the Somerset LGPS amounted to 275% of the Employees' variable contribution rates of between 5.5% and 7.5% dependent upon salary band. This equated to a 17.4% contribution by the Town Council.

Interest

Interest is credited to the accounts on a cash received basis and taken initially to the General Fund. Interest is reallocated to the Revenue Account according to the Estimates.

Reserves

The Council maintains certain reserves to meet general and specific future expenditure. The purpose of the Council's reserves is listed in Note 15 to the balance sheet. The introduction of the new system of capital accounting has required the establishment of two new reserve accounts in the consolidated balance sheet:

- the Fixed Assets Restatement Reserve, which represents principally the balance of the surpluses or deficits on the periodical revaluation of fixed assets; and
- the Capital Financing Reserve, which represents amounts set aside from revenue resources or capital receipts to finance expenditure on fixed assets or for the repayment of external loans and certain other capital financing transactions.

Yeovil Town Council

Consolidated Revenue Account for the year ended 31 March 2010

Item	2009/10		2008/09	
	Gross Expenditure	Income	Net Expenditure	Net Expenditure
Grants (Non-Section 137 Expenditure)	£8,650	£0	£8,650	£7,600
Salaries	£169,724	-£4,032	£165,692	£165,122
General	£162,617	-£22,194	£140,423	£124,537
Planning and Licensing	£25,664	-£23,205	£2,459	£4,467
Grounds and General Maintenance	£267,369	-£12,086	£255,283	£251,047
Buildings and Civic Matters	£157,904	-£13,650	£144,254	£115,365
Promotions and Activities	£61,696	-£163	£61,533	£70,639
Cemetery	£112,018	-£728	£111,290	£111,605
Bottlebank	£788	-£798	-£10	-£223
Election Expenses	£0	£0	£0	£0
Loan Repayment	£11,522	£0	£11,522	£0
Section 137 Expenditure	<u>£36,933</u>	-£11,000	£25,933	£34,592
Net Cost of Services	£1,014,885	-£87,856	£927,029	£884,751
Appropriations			-£74,691	-£64,983
Transfer from Asset Management Revenue Account			-£44,307	-£44,472
Transfer from Petty Cash			£0	£0
Interest Receivable			-£5,498	-£22,975
NET OPERATING EXPENDITURE			£802,533	£752,321
AMOUNT TO BE MET FROM PRECEPT/BALANCES			£802,533	£752,321
Precept			£856,253	£783,925
Balances			£0	£0
SURPLUS/DEFICIT			£53,720	£31,604
GENERAL FUND BALANCE				
Balance at 1 April			£114,989	£83,386
Less: Contributions to Revenue			£0	£0
Less: Contributions to Capital			£0	£0
Plus: Underspend in Previous Revenue Creditor Provision			£0	
Surplus/Deficit for the year			£53,720	£31,603
Balance at 31 March			£168,709	£114,989
CAPITAL FUND BALANCE				
Balance at 1 April			£26,823	£17,862
Plus: Receipts in the year			£2,800	£62,485
Plus: Loan Proceeds			£264,907	£0
Plus: Capital Debtor			£0	£0
Plus: Revenue Contribution to Capital			£0	£0
Plus: Underspend in Previous Capital Creditor Provision			£0	
Less: Expenditure in the year			-£181,446	-£53,524
Balance at 31 March			£113,084	£26,823

YEOVIL TOWN COUNCIL

NOTES TO THE CONSOLIDATED REVENUE ACCOUNT

1. Section 137 Expenditure

Section 137 of the Local Government Act 1972 (as amended) enables the Council to spend up to the product of £6.15 per head on the electoral roll in any one year for the benefit of people in its area on activities or projects not specifically authorised by other powers. The total amount available for this purpose in 2009/10 was £140,970.

Expenditure was incurred for the following purposes:

	2009/10	2008/09
	£	£
• Christmas lights	18,708	23,660
• Grants – local voluntary organisations	7,225	10,932
	<u>25,933</u>	<u>34,592</u>

It should be noted that grants to bodies such as Citizens Advice Bureau are made under other specific legal powers and are not included in the above figures.

2. Asset Management Revenue Account

	2009/10	2008/09
<i>Income</i>		
Capital Charges	(104,777)	(105,229)
<i>Expenditure</i>		
Provision for depreciation	56,641	60,757
External Interest charges	3,829	0
Balance to Consolidated Revenue Account	(44,307)	(44,472)

The Asset Management Revenue Account is maintained to convert the net cost of services (which includes notional capital charges) into net operating expenditure (which is the actual cost of providing services). It does this by replacing notional interest charges, intended to represent the cost of tying up resources in assets, with actual external loan repayments.

3. Interest and Investment Income

The interest figure arises principally from the investment of capital and revenue balances including reserves and provisions.

4. Audit Fees

	2009/10	2008/09
	£	£
The council is required to report and disclose the cost of services provided by its external auditors.		

These may be summarised as follows:

Fees for Statutory Audit Services	2,500	2,500
	_____	_____
	2,500	2,500
	=====	=====

5. Publicity

Section 5 of the Local Government Act 1986 requires the Council to disclose expenditure on publicity. Details are shown under broad categories:

	2009/10	2008/09
	£	£
Recruitment Advertising	1,945	542
General Advertising	427	478
	_____	_____
	2,372	1,020
	=====	=====

6. Pension Costs

In 2009/10 the Council paid an employer's contribution of £25,751 representing 17.4% of employees' pensionable pay into Somerset 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 review was undertaken as at 31 March 2007 which indicated that the overall Fund was 95% funded (the value of the assets was estimated to cover 95% of the value required to meet all of the Fund's liabilities) and it was agreed that this deficit would be made up over 25 years for the majority of the employers. The period for meeting the deficit was deemed reasonable by the Fund's actuary as the majority of the liabilities of the Fund do not fall due until after this time.

In addition, the Council is responsible for all pension payments relating to added years benefits it has awarded, together with the related increases. In 2009/10 these amounted to £317 representing 0.25% of pensionable pay.

Statutory changes to the Local Government Pension Scheme (LGPS) were introduced on 1 April 2008, which resulted in an increase in the overall level of contributions by employees to the Scheme.

A new accounting standard, Financial Reporting Standard 17: "Retirement Benefits" has been introduced. For schemes such as Somerset County Council Pension Fund, paragraph 9(b) of FRS17 requires the council to account for pension costs on the basis of contributions actually payable to the scheme during the year.

7. Staffing

During 2009/10 the Council employed an average of 4 full-time permanent staff, 4 part-time permanent staff and 2 full-time temporary staff.

No Officer received a salary in excess of £60,000 in the year.

8. Members' Allowances

	2009/10	2008/09
	£	£
Members of Council have been paid the following allowances for the year:	23,288	23,000
	<u>23,288</u>	<u>23,000</u>

9. Further Information

Further information about the accounts is available from the Council Offices, Town House, 19 Union Street, Yeovil, BA20 1PQ. This is part of the Council's policy of providing full information about its affairs. Interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised on the Town Council's official public noticeboard.

Yeovil Town Council

Consolidated Balance Sheet as at 31 March 2010

	31 March 2010	31 March 2009
FIXED ASSETS		
Land and Buildings	£1,169,260	£1,094,119
Vehicles, Plant and Equipment	£93,692	£62,078
Community Assets	£84,065	£84,065
Total Long Term Assets	£1,347,017	£1,240,262
CURRENT ASSETS		
Nat West Business Direct Reserve	£313,485	£52,767
Bank of Scotland Treasury Reserve	£50,285	£260,632
Balances at Bank and in Hand	£70,170	-£83,153
Debtors	£22,993	£21,658
Payments in Advance	£0	£0
Total Current Assets	<u>£456,933</u>	<u>£251,904</u>
Total Assets	£1,803,950	£1,492,166
CURRENT LIABILITIES		
Creditors	<u>£117,449</u>	<u>£52,401</u>
General Provisions		
Provision for Bad Debts		
Deposits		
TOTAL ASSETS LESS CURRENT LIABILITIES	£1,686,501	£1,439,765
Deferred Creditors: Long Term Borrowing	£253,385	£0
TOTAL ASSETS LESS LIABILITIES	£1,433,116	£1,439,765
Represented by		
Fixed Asset Restatement Reserve	£1,230,860	£1,167,464
Capital Financing Reserve	-£79,537	£130,489
Major Projects Reserve	£113,084	£26,823
General Reserve	£168,709	£114,989
TOTAL EQUITY	£1,433,116	£1,439,765

YEOVIL TOWN COUNCIL

NOTES TO THE CONSOLIDATED BALANCE SHEET

1. Fixed Assets

Movements in fixed assets during the year are shown below:-

	Land and Buildings £	Vehicles, Plant and Equipment £	Community Assets £	Total £
Cost				
At 31 March 2009	1,142,905	369,861	84,065	1,596,831
Additions	118,050	0	0	118,050
Deferred charges	(18,050)	0	0	(18,050)
Disposals	0	0	0	0
Surplus on revaluation	0	63,396	0	63,396
	1,242,905	433,257	84,065	1,760,227
Depreciation				
At 31 March 2009	48,787	307,783	0	356,570
Charged for the year	24,859	31,782	0	56,641
Eliminated on disposal	0	0	0	0
	73,646	339,565	0	413,211
Net Book Value				
At 31 March 2010	1,169,259	93,692	84,065	1,347,016
At 31 March 2009	1,094,118	62,078	84,065	1,240,261

The civic regalia is included in the fixed assets of the Council.

The Council agreed during a previous financial year to dispose of the Goldcroft Allotment Site to include affordable housing. As the land had not been sold by 31 March 2009, the value is not disclosed in the accounts as such disclosure could prejudice the sale price.

The unexpected closure of the Ski Centre in August 2007 led to the termination of the lease by the Town Council to the previous tenants. This development had an adverse impact on the revenue income and expenditure of the Town Council, as a result of lost rent, legal charges and security costs. The Town Council agreed a financial strategy to mitigate this impact on its finances, and has since taken steps to market the building and land along with an adjoining site, and is seeking the redevelopment of both sites in line with an adopted development brief, which is currently under review.

2. Financing of Capital Expenditure

Capital expenditure during the year was financed as follows: -

	£
Fixed Assets purchased/expenditure on deferred charges	118,050

Was financed by:

Capital Receipts/Contributions	18,050
Loan Proceeds	100,000
Capital Debtors	0
Revenue Contribution to Capital	0

	118,050
	=====

3. Information on Assets Held

The Council's fixed assets include the following:

Operational Land and Buildings:

Council Offices
Community Hall
Workshop/Store
Ski Centre
Cemetery Lodge (joint owned)
Cemetery Chapel (joint owned)
Public Toilets

Motor Vehicles:

Mechanical Excavator (joint owned)
Hydrostatic Dumper (joint owned)

Furniture and Equipment:

Computer equipment/software
Telephone system
Tools

Playground and related Equipment/Facilities:

Climbing Frames
Roundabouts/Swings
Doorstep Green

Community Assets:

Allotment Sites
Cemetery (joint owned)
Civic Regalia
Historic Plaques

4. Fixed Asset Valuation

The freehold and leasehold properties which comprise the Council's property portfolio were valued as at March 2006 by external independent valuers, Symonds and Sampson - Chartered Surveyors. Valuations were made in accordance with the statement of asset valuation practice and guidance notes of the Royal Institution of Chartered Surveyors. All of the properties were inspected. Properties regarded by the Council as operational were valued on the basis of open market value for the existing use. Where this could not be assessed because there was no market for the subject asset and therefore, it had no commercial value such property was treated as a community asset and given a nominal value. Where appropriate, community assets were valued at insurance value.

The civic regalia was valued as at March 2006 by external independent valuers, Bonhams – Fine Art Auctioneers and Valuers. All of the regalia was inspected and a valuation made on the basis of insurance value.

5. Deferred Charges

Deferred charges amounted to £18,050 during 2009/10. These charges represent expenditure of a capital nature, which does not result in the acquisition of tangible assets by the Town Council. Hence they do not appear in the Consolidated Balance Sheet. For accounting purposes, this expenditure is treated as revenue expenditure and written off to the Consolidated Revenue Account.

6. Capital Commitments

At 31 March 2010 there were no significant contracts for future expenditure outstanding.

7. Assets Held under Finance Lease

The Council has no assets held under finance leases.

8. Cash Balances

The cash balance figure is made up of revenue and surplus capital balances – including the unspent proceeds of the £265,000 loan taken out during the year to fund various capital projects. The cash balances are invested on a short-term basis (ie repayable within one month) and are placed with recognised financial institutions.

The balance at the year-end can be analysed as follows:

	31/3/10	31/3/09
	£	£
Financial Institutions	433,940	230,246

9. Debtors

	31/3/10	31/3/09
	£	£
Other Local Authorities	4,000	5,872
VAT reclaimable	17,185	12,089
VAT element of current debtors	0	407
Sundry Debtors	1,808	3,290
	<u>22,993</u>	<u>21,658</u>

10. Creditors

	31/3/10	31/3/09
	£	£
Loans repayable within one year	0	0
Other Local Authorities	85,237	29,292
VAT element of current creditors	1,910	529
Sundry Creditors	30,302	22,580
	<u>117,449</u>	<u>52,401</u>

11. Long Term Borrowing

	31/3/10	31/3/09
	£	£
Public Works Loan Board	253,385	0
	31/3/10	31/3/09
	£	£
The above loans are repayable as follows:		
Within one year	0	0
From one to two years	0	0
From two to five years	0	0
From five to ten years	264,907	0
Total loan commitment	264,907	0
Less: Repayable within one year	(11,522)	0
	<u>253,385</u>	<u>0</u>
	<u> </u>	<u> </u>

12. Fixed Asset Restatement Reserve

	£
Opening balance 1 April 2009	(1,167,464)
Revaluation of assets during the year (<i>Part-upgraded play area</i>)	(63,396)
	<u> </u>
Closing balance 31 March 2010	(1,230,860)

13. Capital Financing Reserve

	£
Opening Balance 1 April 2009	130,489
Loan Proceeds	(264,907)
Financing capital expenditure in the year:	
- using capital receipts	118,050
- using revenue balances	0
Write-out of deferred charges	(18,050)
Reversal of depreciation	(56,641)
Loan repayment	11,522
	<u> </u>
Closing Balance 31 March 2010	(79,537)
	<u> </u>

The capital financing reserve represents revenue and capital resources applied to finance expenditure or for the repayment of external loans. It also includes the reversal of depreciation to ensure it does not impact on the amount to be met from precept. It does not represent a reserve which the Council can use to support future expenditure.

14. Major Projects Reserve

	£
Opening Balance 1 April 2009	26,823
Capital Receipts/Contributions in 2009/10	2,800
Loan Proceeds	264,907
Capital Debtors	0
Capital Creditors	(63,396)
Revenue Contribution to Capital	0
Financing of Capital Expenditure	(118,050)
	<hr/> <hr/>
Closing Balance 31 March 2010	113,084
	<hr/> <hr/>

The Major Projects Reserve represents capital receipts available to finance capital expenditure in future years.

15. Future Projects

The following capital projects have been agreed for future funding by the Council:-

Yew Tree Park Play Area Upgrade (completion)
 Redevelopment of Milford Community Hall
 Monks Dale Play Area Upgrade
 Sunningdale Doorstep Green
 Roundabout Enhancements

Capital Receipts set aside:

Yeovil Country Park Signage	£180
Sunningdale Doorstep Green	£2,415
Roundabout Enhancements	£3,382
Redevelopment of Milford Community Hall	£85,000
Yew Tree Park Play Area Upgrade (completion)	£16,604

Yeovil Town Council

Cash Flow Statement for the year ended 31 March 2010

	31 March 2010		31 March 2009	
REVENUE ACTIVITIES				
Cash Outflows				
Cash paid to or on behalf of employees	£169,724		£169,150	
Other Operating Costs	£762,986		£820,634	
Agency Payments	<u>£0</u>	£932,710	<u>£0</u>	£989,784
Cash Inflows				
Precept	£856,253		£783,925	
Cash received for services	£140,347		£155,876	
Income in Advance	<u>£0</u>	<u>£996,600</u>	<u>£0</u>	<u>£939,801</u>
OPERATING NET CASH OUTFLOW		-£63,890		£49,983
SERVICING OF FINANCE				
Cash Outflows				
Interest Paid	£3,829		£0	
Cash Inflows				
Interest Received	<u>£5,498</u>	<u>-£1,669</u>	<u>£22,975</u>	<u>-£22,975</u>
SERVICING NET CASH INFLOW		-£65,559		£27,008
CAPITAL ACTIVITIES				
Expenditure				
Purchase of Fixed Assets	£118,050		£47,590	
Repayment of Loan	£11,522		£9,793	
Income				
Sale of Fixed Assets/Contributions	£2,800		£67,558	
Loan Proceeds	£264,907		£0	
Sale of Investments	<u>£0</u>		<u>£0</u>	
INVESTING NET CASH OUTFLOW		<u>-£138,135</u>		<u>-£10,175</u>
Increase/Decrease in Cash		-£203,694		£16,833

YEOVIL TOWN COUNCIL

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

1. Reconciliation of Revenue Cash Flow

	31/3/10	31/3/09
Surplus/(Deficit) for the year	£53,720	£31,603
Add/(Deduct)		
Revenue contributions to capital	£0	£0
Interest paid	£3,829	£0
Interest and Investment Income	[£5,498]	[£22,975]
(Increase)/Decrease in debtors	[£1,335]	£2,469
Increase/(Decrease) in creditors	£65,048	[£59,866]
Asset Management Revenue Account	[£44,307]	[£44,472]
Capital charges	£104,777	£105,229
Deferred charges	£18,050	£4,226
Appropriations	[£74,691]	[£64,983]
Revenue activities net cash inflow/(outflow)	£119,593	[£48,769]

2. Movement in Cash

	31/3/10	31/3/09
	£	£
Balances at 1 April		
Cash with accounting officers	250	250
Cash at bank	229,996	246,829
	-----	-----
	230,246	247,079
	=====	=====
Balances at 31 March		
Cash with accounting officers	250	250
Cash at bank	433,690	229,996
	-----	-----
	433,940	230,246
	=====	=====
Net cash [inflow]/outflow	[203,694]	16,833
	=====	=====

3. Reconciliation of Net Funds/Debt

	31/3/10	31/3/09
	£	£
[Increase] / decrease in cash in the year	[203,694]	16,833
	_____	_____
Cash inflow from new borrowings	264,907	0
Cash outflow from repayment of debt	[11,522]	[9,793]
	_____	_____
Net cashflow arising from changes in debt	[11,522]	[9,793]
	_____	_____
Movements in net funds/debt in the year	49,691	7,040
	=====	=====
Cash at bank and In-hand	230,246	247,079
Total borrowings	(253,385)	(9,793)
	_____	_____
Net funds at 1 April	(23,139)	237,286
	=====	=====
Cash at bank and In-hand	433,940	230,246
Total borrowings	(253,385)	0
	_____	_____
Net funds at 31 March	180,555	230,246
	=====	=====

Section 1 – Accounting statements for

YEovil TOWN COUNCIL

Readers should note that throughout this annual return references to a 'local council' or 'council' also relate to a parish meeting.

	Year ending		Notes and guidance
	31 March 2009 £	31 March 2010 £	
			Please round all figures to nearest £. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.
1 Balances brought forward	£158,939	£199,505	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2 (+) Annual precept	£783,925	£856,253	Total amount of precept receivable or received in the year.
3 (+) Total other receipts	£178,196	£361,061	Total receipts or income as recorded in the cashbook less the precept received. Includes support, discretionary and revenue grants.
4 (-) Staff costs	£169,150	£180,148	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5 (-) Loan interest/capital repayments	£0	£15,351	Total expenditure or payments of capital and interest made during the year on borrowings (if any).
6 (-) Total other costs	£752,405	£881,834	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7 (=) Balances carried forward	£199,505	£339,486	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8 Total cash and short term investments	£230,246	£433,940	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – to agree with bank reconciliation.
9 Total fixed assets and long term assets	£1,240,262	£1,347,017	The recorded book value at 31 March of all fixed assets owned by the council and any other long term assets e.g. loans to third parties and any long term investments.
10 Total borrowings	£0	£253,478	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11 Trust funds (including charitable) disclosure note	N/A	N/A	The council acts as sole trustee for and is responsible for managing trust funds or assets. (Readers should note that the figures above do not include any trust transactions.)

I certify that the accounting statements in this annual return present fairly the financial position of the council and its income and expenditure, or properly present receipts and payments, as the case may be, for the year ended 31 March 2010.

Signed by Responsible Financial Officer

SIGNATURE REQUIRED

Date DD/MM/YYYY

I confirm that these accounting statements were approved by the council and recorded as minute reference

MINUTE REFERENCE

Date DD/MM/YYYY

Signed by Chair of the meeting at which these accounting statements were approved.

SIGNATURE REQUIRED

Date DD/MM/YYYY

Section 2 – Annual governance statement

We acknowledge as the members

YEOVIL TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2010, that:

	Agreed – Yes or No*	'Yes' means that the council:
1 We have approved the accounting statements which have been prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	YES	prepared its accounting statements in the way prescribed by law.
2 We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	YES	made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3 We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice which could have a significant financial effect on the ability of the council to conduct its business or on its finances.	YES	has only done things that it has the legal power to do and has conformed to codes of practice and standards in the way it has done so.
4 We have provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	YES	during the year has given all persons interested the opportunity to inspect and ask questions about the council's accounts.
5 We have carried out an assessment of the risks facing the council and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	YES	considered the financial and other risks it faces and has dealt with them properly.
6 We have maintained throughout the year an adequate and effective system of internal audit of the council accounting records and control systems and carried out a review of its effectiveness.	YES	arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether these meet the needs of the council and reviewed the impact of this work.
7 We have taken appropriate action on all matters raised in reports from internal and external audit.	YES	responded to matters brought to its attention by internal and external audit.
8 We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the council and, where appropriate have included them in the accounting statements.	YES	disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.
9 Trust funds (including charitable) – in our capacity as the sole managing trustee we have discharged our responsibility in relation to the accountability for the fund(s)/assets, including financial reporting and , if required, independent examination or audit.	N/A	has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.

This annual governance statement is approved by the local council and recorded as minute reference

LOcAL cOuNciL MiNuTE REFERENCE

dated

DD/MM/YYYY

Signed on behalf of

ENTER NAME OF LOcAL cOuNciL HERE

Signed by: Chair

SIGNATURE REQUIRED

Date

DD/MM/YYYY

Signed by: Clerk

SIGNATURE REQUIRED

Date

DD/MM/YYYY

***Note:** Please provide explanations to the external auditor on a **separate sheet** for each 'No' response that has been given; and describe what action is being taken to address the weaknesses identified.

