

Yeovil Town Council



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

The Time... **7.00pm**

The Date... **Tuesday 24 June 2014**

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



Alan Tawse

Alan Tawse

Town Clerk

18 June 2014

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

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

Martin Bailey

Philip Chandler

Bridget Dollard

David Dollard

Tony Fife

Jon Gleeson

Peter Gubbins

John Hann

Andrew Kendall

Mike Lock (Ex-Officio)

Tony Lock (Chairman)

Wes Read

Darren Shutler (Vice-Chairman) (Ex-Officio)

Alan Smith

Equality Act 2010

The *general* public sector equality duty places an obligation on a wide range of public bodies (including town and parish councils) in the exercise of their functions to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not

The protected characteristics are:

Age

Disability

Gender Reassignment

Marriage and Civil Partnership

Pregnancy and Maternity

Race

Religion or Belief

Sex

Sexual Orientation

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 27 May 2014.

2. APOLOGIES FOR ABSENCE

3. DECLARATIONS OF INTEREST

4. FINAL ACCOUNTS – 2013/14

Attached to this report (pages 3 to 22) is a copy of the draft Statement of Accounts for the year ended 31 March 2014. Following changes introduced by the Accounts and Audit Regulations 2011, these are now produced as supporting evidence (in a format comparable to previous year's accounts) for the Accounting Statements of the Annual Return. This document includes the consolidated Revenue Account and Balance Sheet and the Cash Flow Statement, which ensures that Members are kept informed of the annual movements in these key area of the Council's finances.

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 23, along with the Annual Income and Expenditure Account at page 24, which gives a breakdown of the figures that need to be included in this statutory document. This approach is in line with advice from the Internal Auditor on the future presentation of financial information following the above legislative changes.

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

An operating surplus of £134,547 has been achieved and added to the General Fund which, after taking other movements into account, has resulted in a closing balance of £469,268.

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

Item	Budget	Comments
Summerhouse View Play Area Upgrade	£10,000	Planned carry forward
Future Town Centre Environmental Improvements	£16,000	Planned carry forward
Customised Souvenirs	£453	Planned carry forward
Future Community Safety Projects	£4,830	Planned carry forward
Grants Provision	£4,530	Planned carry forward
Yeovil Area Youth Pilot Projects	£44,065	Budget carry forward
Petters Way Public Toilets	£38,726	Budget carry forward
Milford Park Outdoor Gym Initiative (in principle)	£10,000	Budget carry forward
Public Entertainment Area – Marquee Hire	£735	Budget carry forward
Total	£129,339	

After taking these factors into consideration, the surplus amounts to £5,208, which equates to 0.57% of the Council's overall precept (including Council Tax Support Grant) for that financial year.

The Capital Fund stands at £10,690 and, at the year-end, was almost fully committed to new projects.

Five years ago 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 was 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.

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.

In line with a change in the Audit Regulations and at the request of the Internal Auditor, the total fixed assets and long-term assets listed in the Annual Return were restated in 2011 to reflect historic cost rather than book value. This approach has been continued this year with amendments made to reflect the capital expenditure incurred on play area enhancements.

Members are **RECOMMENDED**:

- (1) to note the position concerning the £134,547 operating budget surplus for the year ended 31 March 2014;
- (2) to note the position regarding the General Reserve, the Capital Fund and the Asset Register; and
- (3) to receive and approve the draft Statement of Accounts for 2013/14, and the draft Annual Return and Income and Expenditure Account for that period.

5. **ANNUAL GOVERNANCE STATEMENT**

As part of the 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 draft Governance Statement is attached at page 25.

Members are **RECOMMENDED** to approve the attached draft Governance Statement for 2013/14.

Public Comment (15 Minutes)

YEOVIL TOWN COUNCIL

Draft Statement of Accounts for the year ended 31 March 2014

(prepared as working papers for the Accounting Statements)

Explanatory Foreword

The purpose of this document is to provide the supporting evidence (in a format comparable to previous year's accounts) for the Accounting Statements of Yeovil Town Council for the year ended 31 March 2014.

These accounts explain the calculation of the figures used in the completion of Section 1 – Accounting Statements of the Annual Return, which local councils in England whose annual turnover is below the new £6.5 million threshold are required to submit for approval to the External Auditor following their approval by the Town Council – in accordance with the Accounts and Audit Regulations 2011.

The document consists 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.
- 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 2014 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 2014

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 2014.

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 2014, which have been produced as supporting evidence for the preparation of the Accounting Statements of the Annual Return in accordance with the Accounts and Audit (England) Regulations 2011 are set out on the following pages.

Signed

Dated: 26 June 2014

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: 26 June 2014

Alan Tawse
Responsible Finance Officer

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.

As the Town Council is below the £6.5 million turnover threshold, service revenue accounts no longer need to include capital charges for all fixed assets used in the delivery of services.

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, which were restated in 2011 at historic cost following the introduction of the Accounts and Audit Regulations 2011, 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 2013, 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) for the purposes of insurance.

The closing balances are stated on the following basis:

- land and other operational properties are included in the balance sheet at the restated open market value for the existing use; and

- vehicles, plant, and equipment are included in the balance sheet at historic cost.

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 as necessary in the interim period, should they occur. The next revaluation will take place in 2018.

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

In line with the new Regulations and on the advice of the Internal and External Auditor, depreciation is no longer charged on the assets of the Council.

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 2013/14 amounted to £25,663. 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.

To make sure that the actuarial requirements are met, a contribution rate of 14.6% of employees' pensionable pay was set for town councils in 2013/14.

The Local Government Pension Scheme is under review and significant changes in contributions, benefits and entitlements were introduced in April 2014. These will be reflected in the 2014/15 final accounts.

The main changes are a move from a final salary pension scheme based on 60ths accrual and a retirement age of 65 to a career average revalued earnings pension scheme based on 49ths accrual and a retirement equal to State Pension Age.

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 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 2014

Item	2013/14		2012/13	
	Gross Expenditure	Income	Net Expenditure	Net Expenditure
Grants (Non-Section 137 Expenditure)	£20,050	£0	£20,050	£14,278
Salaries	£162,794	-£2,910	£159,884	£165,026
General	£167,517	-£56,871	£110,646	£111,443
Planning and Licensing	£25,678	-£22,645	£3,033	£4,023
Grounds and General Maintenance	£241,478	-£12,928	£228,550	£217,478
Buildings and Civic Matters	£123,824	-£68,052	£55,772	£91,392
Promotions and Activities	£92,330	-£5,458	£86,872	£96,987
Cemetery	£97,764	-£808	£96,956	£96,333
Bottlebank	£524	-£1,090	-£566	-£491
Election Expenses	£0	£0	£0	£0
Loan Repayment	£25,663	£0	£25,663	£25,216
Section 137 Expenditure	<u>£0</u>	<u>£0</u>	<u>£0</u>	<u>£3,400</u>
Net Cost of Services	£957,622	-£170,762	£786,860	£825,085
Appropriations			£0	£0
Transfer from Asset Management Revenue Account			£5,040	£5,674
Transfer from Petty Cash			£0	£0
Interest Receivable			<u>-£5,020</u>	<u>-£8,003</u>
NET OPERATING EXPENDITURE			£786,880	£822,756
AMOUNT TO BE MET FROM PRECEPT/GRANT/BALANCES			£786,880	£822,756
Precept			£801,462	£907,503
Council Tax Support Grant			£119,965	£0
Balances			<u>£0</u>	<u>£0</u>
SURPLUS/DEFICIT			£134,547	£84,747
GENERAL FUND BALANCE				
Balance at 1 April			£347,221	£282,474
Less: Contributions to Revenue			£0	£0
Less: Contributions to Capital			£12,500	£20,000
Surplus/Deficit for the year			<u>£134,547</u>	<u>£84,747</u>
Balance at 31 March			£469,268	£347,221
CAPITAL FUND BALANCE				
Balance at 1 April			£15,690	£10,690
Plus: Receipts in the year			£0	£5,000
Plus: Loan Proceeds			£0	£0
Plus: Capital Debtor			£1,500	£0
Plus: Revenue Contribution to Capital			£12,500	£20,000
Less: Expenditure in the year			<u>-£19,000</u>	<u>-£20,000</u>
Balance at 31 March			£10,690	£15,690

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 £6.98 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 2013/14 was £163,765.

In July 2013, the Town Council adopted the General Power of Competence, which is available to eligible local councils under the Localism Act 2011. This enables unlimited expenditure to be incurred on activities or projects not specifically authorised by other powers - such as Christmas lights. Grants to bodies such as Citizens Advice Bureau are made under other specific legal powers.

In light of these additional powers, no Section 137 expenditure was incurred by the Council in 2013/14.

2. Asset Management Revenue Account

	2013/14	2012/13
<i>Income</i>		
Capital Charges	(0)	(0)
<i>Expenditure</i>		
Provision for depreciation	0	0
External Interest charges	5,040	5,674
Balance to Consolidated Revenue Account	5,040	5,674

The Asset Management Revenue Account is maintained to convert the net cost of services (including notional capital charges where applicable) 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

	2013/14	2012/13
	£	£
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	2,000	3,000
	<hr/>	<hr/>
	2,000	3,000
	<hr/>	<hr/>

5. Publicity

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

	2013/14	2012/13
	£	£
Recruitment Advertising	200	436
General Advertising	0	0
	<hr/>	<hr/>
	200	436
	<hr/>	<hr/>

6. Pension Costs

In 2013/14 the Council paid an employer's contribution of £23,312 representing 14.6% 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 2013 which indicated that the overall Fund was 75% funded (the value of the assets was estimated to cover 75% of the value required to meet all of the Fund's liabilities).

A valuation of the fund is currently being carried out using data from 31 March 2013 and will take account of the new career average scheme being introduced by the Government. The next valuation will take place as at 31 March 2016. This will set employers' contribution rates for the following three years and confirm the funding level.

In addition, the Council is responsible for all pension payments relating to added years benefits it has awarded, together with the related increases. In 2013/14 these amounted to £361 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. Members' Allowances

	2013/14	2012/13
	£	£
Members of Council have been paid the following basic allowances for the year:	23,521	23,289
	<u>23,521</u>	<u>23,289</u>

8. Grants

During the year, the following grants were made to the Town Council by other local authorities to assist with the future delivery of services in the Yeovil area:

Youth Services	£44,065
Public Toilets	£38,726
	<u>£82,791</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 2014

	31 March 2014	31 March 2013
FIXED ASSETS (RESTATED)		
Land and Buildings	£1,242,905	£1,242,905
Vehicles, Plant and Equipment	£501,603	£482,603
Community Assets	£84,065	£84,065
Total Long Term Assets	£1,828,573	£1,809,573
CURRENT ASSETS		
Nat West Business Direct Reserve	£486,930	£370,098
Bank of Scotland Treasury Reserve	£52,592	£52,028
Balances at Bank and in Hand	£58,776	£55,561
Debtors	£39,572	£33,363
Payments in Advance	£0	£0
Total Current Assets	<u>£637,870</u>	<u>£511,050</u>
Total Assets	£2,466,443	£2,320,623
CURRENT LIABILITIES		
Creditors	<u>£100,033</u>	<u>£90,262</u>
General Provisions		
Provision for Bad Debts		
Deposits		
TOTAL ASSETS LESS CURRENT LIABILITIES	£2,366,410	£2,230,361
Deferred Creditors: Long Term Borrowing	£155,099	£180,761
TOTAL ASSETS LESS LIABILITIES	£2,211,311	£2,049,600
Represented by		
Fixed Asset Restatement Reserve	£1,697,087	£1,697,087
Capital Financing Reserve	£34,265	-£10,398
Major Projects Reserve	£10,690	£15,690
General Reserve	£469,269	£347,221
TOTAL EQUITY	£2,211,311	£2,049,600

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 2013	1,242,905	482,603	84,065	1,809,573
Additions	0	19,000	0	19,000
Deferred charges	0	0	0	0
Disposals	0	0	0	0
Historic Value				
At 31 March 2014	1,242,905	501,603	84,065	1,828,573

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 2014, 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 sought the redevelopment of both sites in line with an adopted development brief.

Following the inability of a previous bidder to progress their proposal, which was supported in principle, the Council agreed that representations be made to the Planning Authority to seek the inclusion of the site in the emerging masterplan for the nearby urban village as part of the Core Strategy (preferred options). Representations have since been made and the site has now been included in the masterplan.

Further feasibility work is planned, and further updates awaited on the progress of the future actions. The Town Council will be involved in the planned further feasibility work on the ski slope site.

2. Financing of Capital Expenditure

Capital expenditure during the year was financed as follows: -

	£
Fixed Assets purchased/expenditure on deferred charges	19,000

Was financed by:

Capital Receipts/Contributions	5,000
Loan Proceeds	0
Capital Debtors	1,500
Revenue Contribution to Capital	12,500
	<hr/>
	19,000
	<hr/>

3. Information on Assets Held

The Council's fixed assets include the following:

Operational Land and Buildings:

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

Motor Vehicles:

VW Caddy Van
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

Fixed assets, which were restated in 2011 at historic cost following the introduction of the Accounts and Audit Regulations 2011, 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 2013, 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) for the purposes of insurance. All fixed assets will be revalued in 2018.

5. Deferred Charges

There were no deferred charges during 2013/14. 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 2014 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 earmarked allocations to fund various revenue and 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:

	31/3/14	31/3/13
	£	£
Financial Institutions	598,298	477,687

9. Debtors

	31/3/14	31/3/13
	£	£
Other Local Authorities	3,000	1,508
VAT reclaimable	30,841	29,823
VAT element of current debtors	79	152
Sundry Debtors	5,652	1,880
	<hr/>	<hr/>
	39,572	33,363
	<hr/>	<hr/>

10. Creditors

	31/3/14	31/3/13
	£	£
Loans repayable within one year	0	0
Other Local Authorities	70,573	60,135
VAT element of current creditors	2,214	1,495
Sundry Creditors	27,246	28,632
	<hr/>	<hr/>
	100,033	90,262
	<hr/>	<hr/>

11. Long Term Borrowing

	31/3/14	31/3/13
	£	£
Public Works Loan Board	180,762	180,762
	31/3/14	31/3/13
	£	£
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	180,762	205,699
Arrangement fee	0	93
Total loan commitment	180,762	205,792
Less: Repayable within one year	(25,663)	(25,030)
	<u>155,099</u>	<u>180,762</u>

12. Fixed Asset Restatement Reserve

	£
Opening balance 1 April 2013	(1,697,087)
Revaluation of assets during year	0
	<u></u>
Closing balance 31 March 2014	(1,697,087)

13. Capital Financing Reserve

	£
Opening Balance 1 April 2013	(10,398)
Loan Proceeds	0
Financing capital expenditure in the year:	
- using capital receipts	5,000
- using revenue balances	12,500
- using capital debts	1,500
Write-out of deferred charges	0
Reversal of depreciation	0
Loan repayment	25,663
	<u></u>
Closing Balance 31 March 2014	<u>34,265</u>

The capital financing reserve represents revenue and capital resources applied to finance expenditure or for the repayment of external loans. It does not represent a reserve which the Council can use to support future expenditure.

14. Major Projects Reserve

	£
Opening Balance 1 April 2013	15,690
Capital Receipts/Contributions in 2013/14	0
Loan Proceeds	0
Capital Debtors	1,500
Capital Creditors	0
Revenue Contribution to Capital	12,500
Financing of Capital Expenditure	(19,000)
	<hr/>
Closing Balance 31 March 2014	10,690
	<hr/>

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

15. Recent Projects

The following capital projects were funded by the Council in 2013/14:-

Preston Park Play Area Upgrade	£19,000
--------------------------------	---------

16. Future Projects

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

Yew Tree Park Play Area Upgrade (completion)
 Summerhouse View Play Area Upgrade*
 Sunningdale Doorstep Green
 Roundabout Enhancements

* to be funded from the General Reserve if anticipated capital receipt delayed

Capital Receipts set aside:

Yeovil Country Park Signage	£180
Sunningdale Doorstep Green	£2,415
Roundabout Enhancements	£334
Yew Tree Park Play Area Upgrade (completion)	£2,258

Yeovil Town Council

Cash Flow Statement for the year ended 31 March 2014

	31 March 2014			31 March 2013		
REVENUE ACTIVITIES						
Cash Outflows						
Cash paid to or on behalf of employees	£163,252			£167,882		
Other Operating Costs	£840,378			£803,599		
Agency Payments	<u>£0</u>	£1,003,630		<u>£0</u>	£971,481	
Cash Inflows						
Precept	£801,462			£907,503		
Cash received for services	£119,965			£0		
Income in Advance	£247,497			£165,606		
	<u>£0</u>	<u>£1,168,924</u>		<u>£0</u>	<u>£1,073,109</u>	
OPERATING NET CASH OUTFLOW			-£165,294			-£101,628
SERVICING OF FINANCE						
Cash Outflows						
Interest Paid		£5,040			£5,674	
Cash Inflows						
Interest Received		<u>£5,020</u>	<u>£20</u>		<u>£8,003</u>	<u>-£2,329</u>
SERVICING NET CASH INFLOW			-£165,274			-£103,957
CAPITAL ACTIVITIES						
Expenditure						
Purchase of Fixed Assets		£19,000			£20,000	
Repayment of Loan		£25,663			£25,030	
Income						
Sale of Fixed Assets/Contributions		£0			£5,000	
Loan Proceeds		£0			£0	
Sale of Investments		<u>£0</u>			<u>£0</u>	
INVESTING NET CASH OUTFLOW			<u>£44,663</u>			<u>£40,030</u>
Increase/Decrease in Cash			-£120,611			-£63,927

YEOVIL TOWN COUNCIL

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

1. Reconciliation of Revenue Cash Flow

	31/3/14	31/3/13
Surplus/(Deficit) for the year	£134,547	£84,747
Add/(Deduct)		
Revenue contributions to capital	£12,500	£20,000
Interest paid	£5,040	£5,674
Interest and Investment Income	[£5,020]	[£8,003]
(Increase)/Decrease in debtors	[£6,209]	[£9,270]
Increase/(Decrease) in creditors	£9,771	£3,266
Asset Management Revenue Account	£5,040	£5,674
Capital charges	£0	£0
Deferred charges	£0	£0
Appropriations	£0	£0
Revenue activities net cash inflow/(outflow)	£155,669	£102,088

2. Movement in Cash

	31/3/14	31/3/13
	£	£
Balances at 1 April		
Cash with accounting officers	250	250
Cash at bank	477,437	413,510
	<hr/>	<hr/>
	477,687	413,760
	<hr/>	<hr/>
Balances at 31 March		
Cash with accounting officers	250	250
Cash at bank	598,048	477,437
	<hr/>	<hr/>
	598,298	477,687
	<hr/>	<hr/>
Net cash [inflow]/outflow	[120,611]	[63,927]
	<hr/>	<hr/>

3. Reconciliation of Net Funds/Debt

	31/3/14	31/3/13
	£	£
[Increase] / decrease in cash in the year	[120,611]	[63,927]
	<hr/>	<hr/>
Cash inflow from new borrowings	0	0
Cash outflow from repayment of debt	[25,663]	[25,030]
	<hr/>	<hr/>
Net cashflow arising from changes in debt	[25,663]	[25,030]
	<hr/>	<hr/>
Movements in net funds/debt in the year	[146,274]	[88,957]
	<hr/>	<hr/>
Cash at bank and In-hand	477,687	413,760
Total borrowings (including arrangement fee)	(180,762)	(205,699)
	<hr/>	<hr/>
Net funds at 1 April	296,925	208,061
	<hr/>	<hr/>
Cash at bank and In-hand	598,298	477,687
Total borrowings (including arrangement fee)	(155,099)	(180,762)
	<hr/>	<hr/>
Net funds at 31 March	443,199	296,925
	<hr/>	<hr/>

Section 1 – Accounting statements 2013/14 for

Yeovil Town Council/Meeting

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 2013 £	31 March 2014 £			
1 Balances brought forward	350,856	420,789	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	907,503	801,462	Total amount of precept received or receivable in the year.		
3 (+) Total other receipts	113,949	297,247	Total income or receipts as recorded in the cashbook less the precept received (line 2). Include any grants received here.		
4 (-) Staff costs	178,723	173,135	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	30,704	30,703	Total expenditure or payments of capital and interest made during the year on the council's borrowings (if any).		
6 (-) All other payments	742,092	777,824	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	420,789	537,836	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	477,687	598,298	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 plus other long term investments and assets	1,809,573	1,828,573	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the council as at 31 March		
10 Total borrowings	180,762	155,099	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).		
11 Disclosure note Trust funds (including charitable)	yes <input type="radio"/>	no <input checked="" type="radio"/>	yes <input type="radio"/>	no <input checked="" type="radio"/>	The council acts as sole trustee for and is responsible for managing trust funds or assets. The figures in the accounting statements above do not include any trust transactions.

I certify that for the year ended 31 March 2014 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.

Signed by Responsible Financial Officer

Date

I confirm that these accounting statements were approved by the council on this date:

and recorded as minute reference:

Signed by Chair of the meeting approving these accounting statements.

Date

Yeovil Town Council

Income and Expenditure Statement for the year ended 31 March 2014

	2012/13	2013/14
Balances brought forward (Box 1)	£350,856	£420,789
Income		
Annual Precept (Box 2)	£907,503	£801,462
Total Other Receipts (Box 3)		
General Grants	£0	£0
Council Tax Support Grant		£119,965
Salaries	£2,881	£2,910
General	£28,882	£56,871
Planning and Licensing	£21,790	£22,645
Grounds and General Maintenance	£12,269	£12,928
Buildings and Civic Matters	£24,727	£68,052
Promotions and Activities	£8,620	£5,458
Cemetery	£788	£808
Bottlebank	£989	£1,090
Section 137 Income	£0	£0
Interest Received	£8,003	£5,020
Capital	£5,000	£0
Capital Debtor	£0	£1,500
	£113,949	£297,247
Total Income	£1,372,308	£1,519,498
Expenditure		
Staff Costs - including Licensing (Box 4)	£178,723	£173,135
Loan Interest/Capital Repayments (Box 5)	£30,704	£30,703
Total Other Payments (Box 6)		
Grants	£14,278	£20,050
General	£140,325	£167,517
Planning and Licensing	£14,997	£15,337
Grounds and General Maintenance	£229,747	£241,478
Buildings and Civic Matters	£116,119	£123,824
Promotions and Activities	£105,607	£92,330
Cemetery	£97,121	£97,764
Bottlebank	£498	£524
Election Expenses	£0	£0
Section 137 Expenditure	£3,400	£0
Capital	£20,000	£19,000
Adjustment for Deferred Charges	£0	£0
Adjustment for Capital Charges	£0	£0
	£742,092	£777,824
Total Expenditure	£951,519	£981,662
Balances Carried Forward (Box 7)	£420,789	£537,836
Other Movements		
Total Cash and Investments (Box 8)	£477,687	£598,298
Total Fixed and Long Term Assets (Box 9)	£1,809,573	£1,828,573
Total Borrowings (Box 10)	£180,762	£155,099

Section 2 – Annual governance statement 2013/14

We acknowledge as the members of:

Yeovil Town Council/Meeting

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 2014, that:

	Agreed –		'Yes' means that the council:
	Yes	No*	
1 We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices.	<input checked="" type="radio"/>	<input type="radio"/>	prepared its accounting statements in the way prescribed by law.
2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	<input checked="" type="radio"/>	<input type="radio"/>	made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3 We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of the council to conduct its business or on its finances.	<input checked="" type="radio"/>	<input type="radio"/>	has only done what it has the legal power to do and has complied with proper practices in doing so.
4 We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	<input checked="" type="radio"/>	<input type="radio"/>	during the year has given all persons interested the opportunity to inspect and ask questions about the council's accounts.
5 We carried out an assessment of the risks facing the council and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<input checked="" type="radio"/>	<input type="radio"/>	considered the financial and other risks it faces and has dealt with them properly.
6 We maintained throughout the year an adequate and effective system of internal audit of the council accounting records and control systems.	<input checked="" type="radio"/>	<input type="radio"/>	arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of the council.
7 We took appropriate action on all matters raised in reports from internal and external audit.	<input checked="" type="radio"/>	<input type="radio"/>	responded to matters brought to its attention by internal and external audit.
8 We 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.	<input checked="" type="radio"/>	<input type="radio"/>	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 discharged our responsibility in relation to the accountability for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	<input type="radio"/>	<input type="radio"/>	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 council and recorded as minute reference

dated

Signed by:

Chair

dated

Signed by:

Clerk

dated

*Note: Please provide explanations to the external auditor on a separate sheet for each 'No' response. Describe how the council will address the weaknesses identified.