

Yeovil Town Council



**Town House
19 Union Street
Yeovil
Somerset
BA20 1PQ**

Phone 01935 382424
Fax 01935 382429
E-mail alan.tawse@yeovil.gov.uk

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

The Time... **7.00pm**

The Date... **Tuesday 25 June 2013**

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

18 June 2013

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

Peter Brock

Philip Chandler

Bridget Dollard

David Dollard

Tony Fife

Jon Gleeson

John Hann

Kaysar Hussain

Andrew Kendall

Mike Lock (Ex-officio)

Tony Lock (Chairman)

Wes Read

Manny Roper (Ex-officio)

Darren Shutler (Vice-Chairman)

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

AGENDA

Public Comment (15 Minutes)

1. MINUTES

To confirm as a correct record the Minutes of the previous meetings held on 14 and 28 May 2013.

2. APOLOGIES FOR ABSENCE

3. DECLARATIONS OF INTEREST

4. FINAL ACCOUNTS – 2012/13

Attached to this report (pages 3 to 22) is a copy of the draft Statement of Accounts for the year ended 31 March 2013. 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 the adjustments arising from S.137 expenditure – which need to be identified separately.

An operating surplus of £84,747 has been achieved and added to the General Fund which, after taking other movements into account, has resulted in a closing balance of £347,221.

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

Item	Budget	Comments
Refurbishment of allotment site water supply	£1,820	Planned carry forward
Future Town Centre Environmental Improvements	£8,000	Planned carry forward
Future Transport Support	£4,080	Planned carry forward
Yeovil Area Youth Consultation Project	£11,202	Budget carry forward
Sunningdale Road/Greenhill Road Traffic Safety Project	£12,200	Budget carry forward
Replacement Christmas Lights (3 x £8,000 pa)	£24,000	Planned carry forward
SSDC Contribution towards 2013 Christmas Lights	£2,000	Budget carry forward
Grants Provision	£4,880	Planned carry forward
Summerhouse View Play Area Upgrade	£7,851	Planned carry forward
Total	£76,033	

(NB Creditor provision has been made for agreed contributions to the Princes Street Environmental Improvements project, Winter Enhancement schemes, Grants awarded and Winter Maintenance initiatives).

After taking these factors into consideration, the surplus amounts to £8,714, which equates to 0.96% of the Council's overall precept for that financial year.

The Capital Fund stands at £15,690 and, at the year-end, was almost fully committed to new projects.

Four 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 £84,747 operating budget surplus for the year ended 31 March 2013;
- (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 2012/13, 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 Governance Statement is attached at page 25.

Members are **RECOMMENDED** to approve the attached draft Governance Statement for 2012/13.

Public Comment (15 Minutes)

YEOVIL TOWN COUNCIL

Draft Statement of Accounts for the year ended 31 March 2013

(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 2013.

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 2013 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 2013

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 2013.

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 2013, 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: 27 June 2013

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: 27 June 2013

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 new £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 2012/13 amounted to £25,216. 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 2012/13.

The Local Government Pension Scheme is under review and significant changes in contributions, benefits and entitlements are expected to be introduced in the near future.

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 2013

Item	2012/13		2011/12	
	Gross Expenditure	Income	Net Expenditure	Net Expenditure
Grants (Non-Section 137 Expenditure)	£14,278	£0	£14,278	£10,410
Salaries	£167,907	-£2,881	£165,026	£166,162
General	£140,325	-£28,882	£111,443	£125,879
Planning and Licensing	£25,813	-£21,790	£4,023	-£185
Grounds and General Maintenance	£229,747	-£12,269	£217,478	£222,271
Buildings and Civic Matters	£116,119	-£24,727	£91,392	£85,815
Promotions and Activities	£105,607	-£8,620	£96,987	£43,578
Cemetery	£97,121	-£788	£96,333	£94,487
Bottlebank	£498	-£989	-£491	-£396
Election Expenses	£0	£0	£0	£4,467
Loan Repayment	£25,216	£0	£25,216	£24,232
Section 137 Expenditure	<u>£3,400</u>	<u>£0</u>	<u>£3,400</u>	<u>£28,864</u>
Net Cost of Services	£926,031	-£100,946	£825,085	£805,584
Appropriations			£0	-£1,524
Transfer from Asset Management Revenue Account			£5,674	£6,471
Transfer from Petty Cash			£0	£0
Interest Receivable			<u>-£8,003</u>	<u>-£7,429</u>
NET OPERATING EXPENDITURE			£822,756	£803,102
AMOUNT TO BE MET FROM PRECEPT/BALANCES			£822,756	£803,102
Precept			£907,503	£890,501
Balances			<u>£0</u>	<u>£0</u>
SURPLUS/DEFICIT			£84,747	£87,399
GENERAL FUND BALANCE				
Balance at 1 April			£282,474	£210,075
Less: Contributions to Revenue			£0	£0
Less: Contributions to Capital			£20,000	£15,000
				£0
Surplus/Deficit for the year			<u>£84,747</u>	<u>£87,399</u>
Balance at 31 March			£347,221	£282,474
CAPITAL FUND BALANCE				
Balance at 1 April			£10,690	£12,214
Plus: Receipts in the year			£5,000	£0
Plus: Loan Proceeds			£0	£0
Plus: Capital Debtor			£0	£0
Plus: Revenue Contribution to Capital			£20,000	£15,000
				£0
Less: Expenditure in the year			-£20,000	-£16,524
Balance at 31 March			£15,690	£10,690

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 £6.80 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 2011/12 was £159,222.

Expenditure was incurred for the following purposes:

	2012/13	2011/12
	£	£
• Christmas lights	0	18,422
• Grants – local voluntary organisations	3,400	10,442
	<u>3,400</u>	<u>28,864</u>

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

2. Asset Management Revenue Account

	2012/13	2011/12
<i>Income</i>		
Capital Charges	(0)	(0)
<i>Expenditure</i>		
Provision for depreciation	0	0
External Interest charges	5,674	6,471
Balance to Consolidated Revenue Account	5,674	6,471

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

	2012/13	2011/12
	£	£
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	3,000	3,000
	<hr/>	<hr/>
	3,000	3,000
	<hr/> <hr/>	<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:

	2012/13	2011/12
	£	£
Recruitment Advertising	436	999
General Advertising	0	333
	<hr/>	<hr/>
	436	1,332
	<hr/> <hr/>	<hr/> <hr/>

6. Pension Costs

In 2012/13 the Council paid an employer's contribution of £24,297 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 2010 which indicated that the overall Fund was 77% funded (the value of the assets was estimated to cover 77% 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. However, the Fund has an achievable and sustainable plan for returning to 100% funding in future years. 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. A further valuation of the fund will be carried out as at 31 March 2013. 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 2012/13 these amounted to £343 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

	2012/13	2011/12
	£	£
Members of Council have been paid the following basic allowances for the year:	23,289	23,289
	<u>23,289</u>	<u>23,289</u>

8. 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 2013

	31 March 2013	31 March 2012
FIXED ASSETS (RESTATED)		
Land and Buildings	£1,242,905	£1,242,905
Vehicles, Plant and Equipment	£482,603	£462,603
Community Assets	<u>£84,065</u>	<u>£84,065</u>
Total Long Term Assets	£1,809,573	£1,789,573
CURRENT ASSETS		
Nat West Business Direct Reserve	£370,098	£295,048
Bank of Scotland Treasury Reserve	£52,028	£51,368
Balances at Bank and in Hand	£55,561	£67,344
Debtors	£33,363	£24,093
Payments in Advance	<u>£0</u>	<u>£0</u>
Total Current Assets	<u>£511,050</u>	<u>£437,853</u>
Total Assets	£2,320,623	£2,227,426
CURRENT LIABILITIES		
Creditors	<u>£90,262</u>	<u>£86,996</u>
General Provisions		
Provision for Bad Debts		
Deposits		
TOTAL ASSETS LESS CURRENT LIABILITIES	£2,230,361	£2,140,430
Deferred Creditors: Long Term Borrowing	£180,761	£205,606
TOTAL ASSETS LESS LIABILITIES	£2,049,600	£1,934,824
Represented by		
Fixed Asset Restatement Reserve	£1,697,087	£1,697,087
Capital Financing Reserve	-£10,398	-£55,428
Major Projects Reserve	£15,690	£10,690
General Reserve	£347,221	£282,475
TOTAL EQUITY	£2,049,600	£1,934,824

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 2012	1,242,905	462,603	84,065	1,789,573
Additions	0	20,000	0	20,000
Deferred charges	0	0	0	0
Disposals	0	0	0	0
Historic Value				
At 31 March 2013	1,242,905	482,603	84,065	1,809,573

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 2013, 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	20,000

Was financed by:

Capital Receipts/Contributions	0
Loan Proceeds	0
Capital Debtors	0
Revenue Contribution to Capital	20,000
	<hr/>
	20,000
	<hr/> <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 2012/13. 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 2013 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:

	31/3/13	31/3/12
	£	£
Financial Institutions	477,687	413,760

9. Debtors

	31/3/12	31/3/11
	£	£
Other Local Authorities	1,508	1,584
VAT reclaimable	29,823	20,656
VAT element of current debtors	152	140
Sundry Debtors	1,880	1,713
	<u>33,363</u>	<u>24,093</u>

10. Creditors

	31/3/13	31/3/12
	£	£
Loans repayable within one year	0	0
Other Local Authorities	60,135	60,479
VAT element of current creditors	1,495	2,263
Sundry Creditors	28,632	24,254
	<u>90,262</u>	<u>86,996</u>

11. Long Term Borrowing

	31/3/13	31/3/12
	£	£
Public Works Loan Board	180,762	205,699
	31/3/12	31/3/11
	£	£
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	205,699	229,931
Arrangement fee	93	0
Total loan commitment	205,792	229,931
Less: Repayable within one year	(25,030)	(24,232)
	<u>180,762</u>	<u>205,699</u>

12. Fixed Asset Restatement Reserve

	£
Opening balance 1 April 2012	(1,697,087)
Revaluation of assets during year	0
	<u> </u>
Closing balance 31 March 2013	(1,697,087)

13. Capital Financing Reserve

	£
Opening Balance 1 April 2012	(55,428)
Loan Proceeds	0
Financing capital expenditure in the year:	
- using capital receipts	0
- using revenue balances	20,000
Write-out of deferred charges	0
Reversal of depreciation	0
Loan repayment	25,030
	<u> </u>
Closing Balance 31 March 2013	(10,398)

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 2012	10,690
Capital Receipts/Contributions in 2012/13	5,000
Loan Proceeds	0
Capital Debtors	0
Capital Creditors	0
Revenue Contribution to Capital	20,000
Financing of Capital Expenditure	(20,000)
	<hr/> <hr/>
Closing Balance 31 March 2013	15,690
	<hr/> <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 2012/13:-

Milford Park Play Area Upgrade £20,000

16. Future Projects

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

Yew Tree Park Play Area Upgrade (completion)
 Preston Park 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
Preston Park Play Area Upgrade	£5,000

Yeovil Town Council

Cash Flow Statement for the year ended 31 March 2013

	31 March 2013		31 March 2012	
REVENUE ACTIVITIES				
Cash Outflows				
Cash paid to or on behalf of employees	£167,882		£168,526	
Other Operating Costs	£803,599		£838,939	
Agency Payments	<u>£0</u>	£971,481	<u>£0</u>	£1,007,465
Cash Inflows				
Precept	£907,503		£890,501	
Cash received for services	£165,606		£182,464	
Income in Advance	<u>£0</u>	<u>£1,073,109</u>	<u>£0</u>	<u>£1,072,965</u>
OPERATING NET CASH OUTFLOW		-£101,628		-£65,500
SERVICING OF FINANCE				
Cash Outflows				
Interest Paid		£5,674		£6,471
Cash Inflows				
Interest Received		<u>£8,003</u>	<u>-£2,329</u>	<u>£7,429</u>
SERVICING NET CASH INFLOW		-£103,957		-£66,458
CAPITAL ACTIVITIES				
Expenditure				
Purchase of Fixed Assets		£20,000		£16,524
Repayment of Loan		£25,030		£24,232
Income				
Sale of Fixed Assets/Contributions		£5,000		£0
Loan Proceeds		£0		£0
Sale of Investments		<u>£0</u>		<u>£0</u>
INVESTING NET CASH OUTFLOW		<u>£40,030</u>		<u>£40,756</u>
Increase/Decrease in Cash		-£63,927		-£25,702

YEOVIL TOWN COUNCIL

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

1. Reconciliation of Revenue Cash Flow

	31/3/13	31/3/12
Surplus/(Deficit) for the year	£84,747	£87,400
Add/(Deduct)		
Revenue contributions to capital	£20,000	£15,000
Interest paid	£5,674	£6,471
Interest and Investment Income	[£8,003]	[£7,429]
(Increase)/Decrease in debtors	[£9,270]	£9,881
Increase/(Decrease) in creditors	£3,266	[£55,056]
Asset Management Revenue Account	£5,674	£6,471
Capital charges	£0	£0
Deferred charges	£0	£1,524
Appropriations	£0	[£1,524]
Revenue activities net cash inflow/(outflow)	£102,088	£62,738

2. Movement in Cash

	31/3/13	31/3/12
	£	£
Balances at 1 April		
Cash with accounting officers	250	250
Cash at bank	413,510	387,808
	-----	-----
	413,760	388,058
	=====	=====
Balances at 31 March		
Cash with accounting officers	250	250
Cash at bank	477,437	413,510
	-----	-----
	477,687	413,760
	=====	=====
Net cash [inflow]/outflow	[63,927]	[25,702]
	=====	=====

3. Reconciliation of Net Funds/Debt

	31/3/13	31/3/12
	£	£
[Increase] / decrease in cash in the year	[63,927]	[25,702]
Cash inflow from new borrowings	0	0
Cash outflow from repayment of debt	[25,030]	[24,232]
Net cashflow arising from changes in debt	[25,030]	[24,232]
Movements in net funds/debt in the year	[88,957]	[49,934]
Cash at bank and In-hand	413,760	388,058
Total borrowings (including arrangement fee)	(205,699)	(229,931)
Net funds at 1 April	208,061	158,127
Cash at bank and In-hand	477,687	413,760
Total borrowings (including arrangement fee)	(180,762)	(205,699)
Net funds at 31 March	296,925	208,061

Section 1 – Accounting statements 2012/13 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.

1	Balances brought forward	279,981 350,856	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	890,501 907,503	Total amount of precept received or receivable in the year.
3	(+ Total other receipts	109,727 113,949	Total income or receipts as recorded in the cashbook less the precept received (line 2). Include any grants received here.
4	(-) Staff costs	178,624 178,723	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	30,703 30,704	Total expenditure or payments of capital and interest made during the year on the council's borrowings (if any).
6	(-) All other payments	720,026 742,092	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	350,856 420,789	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	413,760 477,687	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	1,789,573 1,809,573	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	205,699 180,762	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11	(If Applicable) Trust funds (including charitable) disclosure note	✓ ✓	(if applicable) The council acts as sole trustee for and is responsible for managing trust funds or assets. (Readers should note that the figures in the accounting statements above do not include any trust transactions.)

I certify that for the year ended 31 March 2013 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 2013

	2011/12	2012/13
Balances brought forward (Box 1)	£279,981	£350,856
Income		
Annual Precept (Box 2)	£890,501	£907,503
Total Other Receipts (Box 3)		
Grants	£0	£0
Salaries	£2,797	£2,881
General	£14,287	£28,882
Planning and Licensing	£24,488	£21,790
Grounds and General Maintenance	£11,279	£12,269
Buildings and Civic Matters	£22,510	£24,727
Promotions and Activities	£23,033	£8,620
Cemetery	£885	£788
Bottlebank	£1,019	£989
Section 137 Income	£2,000	£0
Interest Received	£7,429	£8,003
Capital	£0	£5,000
	£109,727	£113,949
Total Income	£1,280,209	£1,372,308
Expenditure		
Staff Costs - including Licensing (Box 4)	£178,624	£178,723
Loan Interest/Capital Repayments (Box 5)	£30,703	£30,704
Total Other Payments (Box 6)		
Grants	£10,410	£14,278
General	£140,166	£140,325
Planning and Licensing	£14,638	£14,997
Grounds and General Maintenance	£233,550	£229,747
Buildings and Civic Matters	£108,325	£116,119
Promotions and Activities	£66,611	£105,607
Cemetery	£95,372	£97,121
Bottlebank	£623	£498
Election Expenses	£4,467	£0
Section 137 Expenditure	£30,864	£3,400
Capital	£16,524	£20,000
Adjustment for Deferred Charges	-£1,524	£0
Adjustment for Capital Charges	£0	£0
	£720,026	£742,092
Total Expenditure	£929,353	£951,519
Balances Carried Forward (Box 7)	£350,856	£420,789
Other Movements		
Total Cash and Investments (Box 8)	£413,760	£477,687
Total Fixed and Long Term Assets (Box 9)	£1,789,573	£1,809,573
Total Borrowings (Box 10)	£205,699	£180,762

Section 2 – Annual governance statement 2012/13

We acknowledge as the members of:

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 2013, that:

- | | | | |
|---|--|---|--|
| 1 | We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices. | ✓ | 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. | ✓ | 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 codes of practice that could have a significant financial effect on the ability of the council to conduct its business or on its finances. | ✓ | 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 provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations. | ✓ | 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. | ✓ | 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. | ✓ | 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. | ✓ | 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. | ✓ | 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. | ✓ | 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

Signed by:

Chair

dated

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.