

TENBURY TOWN COUNCIL



(UNAUDITED ACCOUNTS)

STATEMENT OF ACCOUNTS 2018/2019

2018/2019

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Introduction

The Council's Statement of Accounts for the financial year 2018/19 is set out on pages 8 - 17

It consists of the various statements explained below

- **Explanatory Foreword (pages 2 - 4)**

This section provides in overall terms, the authority's financial position, and assists in the interpretation of the accounting statements.

- **Statement of Accounting Policies (pages 6 - 7)**

This explains the accounting policies that are consistent with accounting concepts and relevant accounting standards. It ensures that the Council's accounts present fairly the financial position and transactions of the Council.

- **Income and Expenditure Account (page 8)**

This account reports the net cost for the year of all the functions for which the Council is responsible. It demonstrates how that cost has been financed from income from local taxpayers (Precept) and grant funding.

The Income and Expenditure Account discloses the income receivable and expenditure incurred in operating the Council for the year. The surplus or deficit achieved on the Income and Expenditure Account represents the amount by which income is greater than or less than expenditure. Notes to the Income and Expenditure Account are on pages 10 - 12.

- **Balance Sheet (page 9)**

This sets out the Council's assets and liabilities as they were at 31 March 2019. It shows the level of reserves and balances at that date, together with investments. Notes to the Balance Sheet are on pages 12 - 16.

Explanatory Foreword

Revenue Spending in 2018/19

Revenue expenditure for 2018/19 is summarised in the Income and Expenditure Account. This shows the costs of all the Council's Services and how the net expenditure has been funded.

The tables below show where our money came from and how we spent it.

How We Spent the Money	£	%
Payments to Staff and Staff Related Expenditure	76,343	36.26
Spending on Property	33,511	15.92
Spending on Transport	252	0.12
Supplies and Services	15,745	7.49
Payments to Other Organisations & Contractors	35,121	16.68
Payments to Reserves	34,850	16.56
Loan Repayments	1,460	0.69
Spending on Capital	13,227	6.28
Total	210,509	100

Where the Money came from	£	%
Precept – Council Tax	175,200	83.23
Fees and Charges	13,458	6.39
Rents	2,240	1.06
Mayor's Fundraising	4,865	2.31
Donations, Recoveries & Wayleaves	4,344	2.06
Grants	3,128	1.49
Interest	922	0.44
From our Earmarked Reserves	6,352	3.02
Total	210,509	100

At the end of the year our total revenue reserves amounted to £179,012. The table below illustrates the different types of reserves that we hold.

Revenue Reserves	£: p
General Fund	71,828
Earmarked Reserves	107,184
Total	179,012

- General Reserve - Reserve set aside for unforeseen events.
- Earmarked Reserves - Reserves set aside for specific purposes.

Explanatory Foreword (Cont'd)

The table below shows the budgeted figures for **2018/19** as compared with the actual outturn for the year.

	Original Budget £	Actual £
Amount available from Precept	175,200	175,200
	175,200	175,200
Plus, transfer from/(to) balances	10,000	20,305
Budget requirement	165,200	154,895
General Fund Balance - 1st April, 2018	51,523	51,523
General Fund Balance - 31st March, 2019	61,523	71,828

The above table shows that there was an increase in the General Fund Balance of £71,828, which is £10,305, higher than the original estimate. There were, however, several variances in the budget. Details of the main reasons are set out in the table below.

	£	£
<u>Reduced Income:</u>		
Recoveries	694	
Grants	2,830	
	<hr/>	3,524
<u>Additional Income:</u>	(357)	
Donations	(682)	
Interest	(3,779)	
Contribution to Garden of Remembrance	(5,565)	
Fees, Charges & Rents	<hr/>	(10,383)
<u>Savings in Expenditure:</u>		
Lengthsman/Footpath Scheme	(278)	
Legal Fees	(377)	
Advertising	(507)	
Mayor's Expenses	(674)	
Bowling Green Maintenance	(700)	
Salaries, On-costs & other Staffing Costs	(710)	
Equipment	(773)	
Data Protection	(830)	
Floral Features	(942)	
Grants	(1,000)	
Licence Fee	(1,300)	
Non-Domestic Rates	(2,644)	
Repairs & Maintenance	(4,796)	
Consultants Fees	(9,000)	
	<hr/>	(24,531)

Increase in Expenditure:		
Other Supplies & Services	95	
Insurance	341	
Utilities	373	
Skate Park	869	
Security Alarms	1,064	
Contributions to Reserves	1,193	
Property Surveyors	3,601	
Riverwalk Railings	3,652	
Footway Lighting	4,718	
Garden of Remembrance	5,179	
		21,085
		(10,305)

Assets

The current value of the majority of the Council's Asset Portfolio is £1,263,420. The Council is not however required to re-value its assets.

Reporting Requirements

Reporting requirements under the Accounts and Audit Regulations 2015 require that the accounts for 2018/19 are prepared and reported to Members by 30 June 2019.

Further Information

For more information about these accounts, please contact Lesleyann Bruton (Mrs), Town Clerk & RFO, Tenbury Town Council, The Pump Rooms, off Teme Street, Tenbury Wells, Worcestershire WR15 8BA. Telephone: 01584 810118
e-mail: clerk@tenburytown.org.uk

Statement of Responsibilities for the Statement of Accounts

1. Council's Responsibility

The Council is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Town Clerk and Responsible Finance Officer
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- to approve the Statement of Accounts

I **confirm** that these accounts were approved by the Council at the meeting held on 10th June 2019

Signed on behalf of Tenbury Town Council
Councillor E Hudson

Date: 10 June 2019

2. Town Clerk and Responsible Finance Officer's Responsibility

The Town Clerk and Responsible Finance Officer is responsible for the preparation of the Council's Accounts in accordance with proper practices.

In preparing this Statement of Accounts, the Officer has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent

The Officer has also ensured:

- proper accounting records were kept, which were up to date

Certification of the Town Clerk and Responsible Finance Officer

I hereby certify that the Statement of Accounts set out on pages 8 -17 present fairly the financial position of Tenbury Town Council as at 31 March 2019 and its income and expenditure for the year then ended.

Mrs L. Bruton
Town Clerk and Responsible Finance Officer

Date: 10 June 2019

The Statement of Accounts was approved at the meeting of the Council held on 10 June 2019.

Statement of Accounting Policies

This section summarises the accounting rules and conventions we have used in preparing these accounts.

1. General

The accounts have been prepared in accordance with the *Accounts and Audit Regulations 2015* and with guidance from *Governance and Accountability for Smaller Authorities in England*.

2. Fixed Assets

The Council does not have an obligation to re-value its assets other than investment properties, which the Council does not own.

In accordance with current accounting procedures, income from the disposal of fixed assets is accounted for on accruals basis and is included in the Balance Sheet as Usable Capital Receipts Reserve. No assets were disposed of in 2018/19.

3. Depreciation

The Council is not required to account for depreciation on its asset stock.

4. Capital Receipts

Capital receipts are credited to a Usable Capital Receipts Reserve. Interest on unused balances is credited to the General Fund.

The balance on the Usable Capital Receipts Reserve as at 31 March 2019 was nil.

The Council has an outstanding PWLB loan totalling £719.59 as at 31 March 2019.

5. Debtors and Creditors – Accruals Accounting

Revenue transactions are recorded on an income and expenditure (accruals) basis, in accordance with the Accounting and Audit Regulations. This means that income is recorded in the accounts when it is owed rather than when it is received - Debtor. Likewise, expenditure is recorded in the accounts when it is owed, rather than when the payment is actually made – Creditor.

6. Stock

All stocks have been treated as consumed because the value was not material.

7. Provisions

The Council makes provisions for liabilities, which are likely or certain to be incurred, but where there is no certainty as to the actual amount of payment, although a reliable estimate is possible. Provisions are reviewed at each Balance Sheet date, and if no longer required, the provision is reversed. No provisions are included in the 2018/19 accounts.

8. Reserves

Amounts set aside for purposes falling outside the definition of provisions are considered reserves, and transfers to and from them are kept separate from service expenditure disclosed in the Statement of Accounts. Expenditure has not been charged directly to any reserve. Capital Reserves are not available for revenue purposes.

Capital Reserves are:

- The Usable Capital Receipts Reserve, which includes money from the sale of assets, which the Council can spend on other capital schemes.

Other reserves include money the Council has set aside in the past. They are available to cover unexpected payments or to support spending. They include the following:

- Earmarked Reserves - money is set aside for certain classes of spending including future capital expenditure and established on a “needs” basis in line with planned or anticipated requirements.
- General Reserve. The Council can decide how to spend this money. Resources available to meet shortfall in running costs, held to cushion the impact of uneven cash flow or unexpected events.

Full details of the Council’s earmarked reserves are shown on pages 14 – 15, on note 5 to the Balance Sheet.

9. Interest

The balance on the Council’s bank account is invested and the interest earned is credited to the General Fund. The Income and Expenditure Account on page 8 identifies the interest earned in 2018/19.

10. Investments

Investments are repayable within one year.

Investments are shown in the Balance Sheet at cost and realised gains are taken into the Income and Expenditure Account. The Council held £131,884.74 with Worcestershire County Council in a 7-Day Notice Account as at 31 March 2019.

11. Pensions

The pension costs that are charged to the Council’s accounts in respect of its employees are equal to the contributions paid to the pension scheme for these employees.

Contributions are paid into an Aviva Workplace Pension Scheme.

12. Leases

The Town Council has no finance leases. Rentals payable under operating leases are charged to revenue on a straight-line basis over the term of the lease.

The Council leases a photocopier at a cost of £359.16 (excluding VAT) per annum.

13. Value Added Tax

Expenditure excludes any amounts related to VAT, as all VAT suffered is recoverable from HM Revenue and Customs. Any amounts not so recoverable are treated as a separate expense.

Income and Expenditure Account

For the Year Ended 31 March 2019

A summary of the Council's Income and Expenditure Account for the year ended 31 March 2019 is set out below, together with references to further detailed notes contained in pages 10 – 11.

Net 2017/18 £	Services	Expenditure 2018/19 £	Income 2018/19 £	Net 2018/19 £	Notes
57,302	Administration	65,561	53	65,508	¼
568	Democratic Representation	5,691	4,865	826	
4,753	Community Services	10,291	3,330	6,961	2
-	Allotments	55	-	55	
8,027	The Pump Rooms	15,915	6,947	8,968	2
6,193	The Regal	10,171	5	10,166	
1,033	Changing Rooms	1,919	137	1,782	
10,066	Palmer's Meadow	14,157	3,818	10,339	
14,289	The Burgage	14,326	1,212	13,114	
15,029	Bowling Green, Tennis Courts & Civic Garden	19,257	2,643	16,614	
824	Cemetery	2,408	1,243	1,165	
986	Planning	1,218	-	1,218	
11,636	Capital	13,227	3,779	9,448	
1,460	Repayment of Loans & Interest	1,460	-	1,460	
132,166	Net Cost of Services	175,656	28,032	147,624	
(264)	Interest earned on Cash Balances			(922)	3
15,904	Transfer (from)/to Earmarked			8,193	5
22,986	Transfer to General Reserve			20,305	
170,792				175,200	
	<u>Where we got the money from:</u>				
(4,513)	Grant Funding – Local Council Tax Support Grant			-	
(166,279)	Precept			(175,200)	
(170,792)				(175,200)	

This Statement shows the gross expenditure, income and net expenditure analysed by service and how it was funded by the Precept and grant funding.

Balance Sheet at 31 March 2019

This statement shows the financial position of the Council has a whole and summarises its current assets and liabilities.

31 March 2018	Balance Sheet	Notes	31 March 2019 £	
	<u>Current Assets</u>			
4,380	Money owed by Debtors	1	6,278	
131,196	Short Term Investments		131,885	
27,326	Cash in Hand		63,271	
	<u>Current Liabilities</u>			
(12,388)	Money owed to Creditors	3	(22,422)	
150,514	Total Assets less Current Liabilities			179,012
	<u>FUNDED BY</u>			
(51,523)	General Fund		(71,828)	
(98,991)	Earmarked Reserves	5	(107,184)	
(150,514)				(179,012)

Notes to the Income and Expenditure Account

1. Employee Costs

2017/18	Employee Costs	2018/19 £
62,803	Salaries	65,102
4,287	Employers – National Insurance Contributions	4,533
5,713	Employers – Pension Contributions	5,796
72,803	Total	75,431

As part of terms and conditions of employment of its Officers and staff, the Town Council offers retirement benefits. Although these benefits will not actually be payable until after employees retire, the Town Council has a commitment to make payments that needs to be disclosed at the time that employee earn their future entitlement.

The Town Council participates in the Aviva Workplace Pension Scheme. The Town Council and employees pay contributions into the fund.

2. Grants and Donations

Grants	2018/19 £
Kyrebroke Daycare Centre - (LGA 1972 s.137)	55
NILS - (LGA 1972 s.137)	55
Tenbury Church Outreach Fund - (LGA 1972 s.137)	55
Tenbury CofE Primary Academy - (LGA 1972 s.137)	200
Grapevine Music Project - (LGA 1972 s.145)	500
Tenbury in Bloom - (LGA 1972 s. 144)	500
Tenbury Chamber of Trade - (LGA 1972 s.144)	500
Tenbury Music Festival C.I.C. - (LGA 1972 s.145)	500
1 st Tenbury Scouts - (LGA 1972 s.137)	1,000
2 nd Tenbury Guides - (LGA 1972 s.137)	1,000
Shoot for the Stars - (LGA 1972 s.137)	1,000
The Regal Trust Tenbury - (LGA 1972 s.145)	7,000
Total	12,365

3. Interest

2017/18	Interest Received	2018/19 £
32 232	Deposit Account Short-Term Investment Accounts (WCC)	233 689
264	Total	922

4. Disclosure of Audit Costs

The table below shows the fees incurred by the Council in 2017/18 and 2018/19 relating to external audit and inspection.

	2017/18 £	2018/19 £
<ul style="list-style-type: none">Fees payable to PKF Littlejohn LLP regarding external audit services carried out by the appointed auditor	400	600
Total	00	600

5. Contributions to and from Reserves

The following table shows what money has been paid into Reserves and what money has been taken out of Reserves during 2018/19.

2017/18 £	Contributions to and from Reserves	2018/19 £
	<u>Contributions to Reserves</u>	
600	Asset Survey	100
1,000	Car Park	1,000
-	Carry Forward	185
250	Elections	250
-	Equipment	500
-	Memorial Garden Benches	210
2,080	Neighbourhood Plan	-
1,000	Pavilion	1,000
500	Play Areas	1,000
2,000	Pump Rooms	2,000
3,000	Regal	3,000
3,652	Riverside Walk	-
500	Skate Park	500
125	Street Furniture	1,000
1,171	Street Lighting	1,000
1,000	Tennis Courts	1,000
1,000	Tree Works	1,000
800	Wedding Licence	800
18,678	Total Contributions to Reserves	14,545
	<u>Contributions from Reserves</u>	
-	Asset Survey	(700)
(1,800)	Carry Forward	(1,400)
-	Riverside Walk	(3,652)
(974)	Skate Park	-
-	Wedding Licence	(600)
(2,774)	Total Contributions from Reserves	(6,352)
15,904	Net Contributions (from)/to Reserves	8,193

Notes to the Balance Sheet

1. Debtors

An analysis of the Debtors figures in the balance sheet is shown below.

31 March 2018 £	Debtors	31 March 2019 £
	Amount Falling (Due within one year)	
1,702	Accrued Income	1,041
2,473	H M Revenue and Customs	2,075
205	Prepayments	3,162
4,380	Total Short -Term Debtors	6,278

2. Stock

The Council held no items of stock as at 31 March 2019

3. Creditors

An analysis of creditors in the balance sheet is shown below.

31 March 2018 £	Creditors	31 March 2019 £
2,085	Receipts in Advance	785
5,014	Accruals	16,376
5,289	Payroll, Taxes and Social Security	5,261
12,388	Total Creditors	22,422

4. Provisions

A provision should only be recognised when an organisation has a present obligation (legal or constructive) has a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Unless these conditions are met, no provision should be recognised.

No provisions are held in the accounts as at 31 March 2019.

5. Earmarked Reserves

Earmarked Reserves	Balance 1/04/18 £	Contribution from General Fund	Contribution to General Fund	Balance 31/03/19 £
(a) Asset Survey	600	100	(700)	-
(b) Elections	2,600	250	-	2,850
(c) Equipment	-	500	-	500
(d) Wedding Licence	1,800	800	(600)	2,000
(e) Car Park Maintenance	500	500	-	1,000
(f) Car Park Resurfacing	12,000	500	-	12,500
(g) Carry Forward	1,400	185	(1,400)	185
(h) Changing Rooms	5,000	-	-	5,000
(i) Memorial Garden Benches	-	210	-	210
(j) Pavilion	7,000	1,000	-	8,000
(k) Play Area	1,455	1,000	-	2,455
(l) The Pump Rooms	14,000	2,000	-	16,000
(m) The Regal	28,760	3,000	-	31,760
(n) Riverside Walk	3,652	-	(3,652)	-
(o) Skate Park	2,949	500	-	3,449
(p) Street Furniture	125	1,000	-	1,125
(q) Street Lighting	1,171	1,000	-	2,171
(r) Tennis Courts	6,330	1,000	-	7,330
(s) Tree Works	2,000	1,000	-	3,000
(t) Neighbourhood Planning	7,649	-	-	7,649
Total	98,991	14,545	(6,352)	107,184

Earmarked reserves represent sums set aside to fund future expenditure and projects.

- (a) Asset Survey Reserve – This reserve has been established to fund the cost of condition surveys and quinquennial inspections of the Council’s premises. Quinquennial inspections were carried during 2018/19 on The Pump Rooms and The Regal.
- (b) Elections Reserve – This reserve has been established to cover the cost of the Parish Elections, which are held every 4 years or any by-elections, if required. An annual contribution of £250 is made to the reserve. The next elections will be held in May 2019.
- (c) Equipment Reserve – This reserve has been established to cover the cost of IT and office equipment. IT equipment was replaced in 2018.
- (d) Wedding Licence Reserve – This reserve has been established to cover the cost of the licence required to permit weddings to be held at The Pump Rooms. The licence was renewed in October 2018 at a cost of £1,800. An annual contribution of £800 has been made to the reserve.
- (e) Car Park Maintenance Reserve – This reserve was established to fund the renewal of white lines on the Palmers Meadow car park. White lining was undertaken during 2016/17 at a cost of £750. A contribution of £500 was made to the reserve in 2018/19.
- (f) Car Park Resurfacing Reserve – This reserve was established to fund the future cost of resurfacing the Palmers Meadow car park. An annual contribution of £500 has been made to the reserve.
- (g) Carry Forward Reserve – Funding was provided by Worcestershire County Council was transferred from the reserve towards the cost of the Memorial Garden. A contribution of £185 was transferred to the reserve to fund the costs to be incurred for the Annual Town Meeting and Mayor’s tickets for an event in the following financial year.
- (h) Changing Rooms Reserve – This reserve was established to fund the improvements to the football teams changing rooms. At the end of 2016/17 the balance held in the reserve was £5,000. No contribution was made to the reserve in 2018/19.
- (i) Memorial Garden Benches Reserve – A contribution of £210 was received from Tenbury Area Partnerships (TAP’s) for the future maintenance of the World War 1 commemorative benches.
- (j) Pavilion Reserve – This reserve was established to help fund the renovation of the pavilion. An annual contribution of £1,000 is made to the reserve.
- (k) Play Areas Reserve – This reserve has been established to fund the on-going maintenance of the children’s play areas.
- (l) Pump Rooms – This reserve has been established to fund future repair and renewal costs. An annual contribution of £2,000 is made to the reserve.
- (m) Regal Reserve – This reserve has been established to fund the maintenance or renewal costs of equipment and fixture and fittings in The Regal. An annual contribution of £3,000 is made to the reserve.
- (n) Riverside Walk Reserve – This reserve was established to fund the repairs to the railings along the Riverside Walk, which was undertaken in April 2018.
- (o) Skate Park Reserve – This reserve has been established to fund the refurbishment of the skate park and future replacement costs. A contribution of £500 has been made to the reserve.

- (p) Street Furniture Reserve – This established has been established to fund the replacement cost of street furniture. The Council owns numerous bins, benches, planters, a flagpole and a bus shelter.
- (q) Street Lighting Reserve – This reserve has been established to fund the replacement cost of the street light columns owned by the Town Council.
- (r) Tennis Courts Reserve – This reserve has been established to fund the cost of maintaining and resurfacing the courts and replacement cost of the nets. An annual contribution of £1,000 is made to the reserve.
- (s) Tree Works Reserve – This reserve has been established to fund works to the trees located in the Palmers Meadow, the Burgage, the Riverwalk and the cemetery. An annual contribution of £1,000 is made to the reserve.
- (t) Neighbourhood Planning Reserve – This reserve was established to fund the development and implementation of a Neighbourhood Plan.

Note to the Annual Return

FIXED ASSETS	Number	2018/19 £
<u>BUILDINGS</u>		
The Regal	1	784,737
The Pump Rooms	1	150,077
Changing Rooms	2	47,081
Pavilion & Tennis Courts	1/3	57,213
Groundsman Hut	1	5,564
		<hr/> 1,044,672
<u>LAND</u>		
Palmers Meadow & The Burgage	2	100,000
Cemetery	1	1
Riverside Walk	1	1
		<hr/> 100,002
<u>EQUIPMENT</u>		
Benches, Fences, Bins & Gates	Various	13,200
Playground Equipment	Various	41,341
Street Lights	52	18,100
Skateboard Ramps	6	22,000
Office Equipment	Various	6,311
Basketball Posts	2	1,620
Razor Ultra Lawn Mower	1	3,000
Vehicle Actuated Sign	1	2,184
Oxford White Gates	2	1,310
War Horse Seat	1	871
World War 1 Seat	1	714
Silent Soldier	1	395
Barrier Gate	1	1
Flag Pole	1	1
Planters	6	1
		<hr/> 111,049
<u>OTHER ASSETS</u>		
Public Shelter	1	1
Pagoda	1	4,095
War Memorial	1	1
		<hr/> 4,097
<u>NON - OPERATIONAL</u>		
Civic Regalia	2	3,600
Total		<hr/> 1,263,420

Glossary of Terms

This section explains terms that have been used throughout this document.

<i>Accrual</i>	This is one of the main accounting concepts and ensures that income and expenditure are shown in the accounting period that they are earned or incurred, not as money is received or paid.
<i>Asset</i>	An asset is something that the Council owns that has a monetary value. Assets are either 'current' or 'fixed'. A current asset is one that will be used or cease to have material value by the end of the next financial year (e.g. stock and debtors). A fixed asset provides the Council benefits for a period of more than one year.
<i>Budget</i>	A statement of our spending plans for a financial year, which starts on 1 April and ends on 31 March.
<i>Capital Receipts</i>	A capital receipt is the income that results from the sale of a fixed asset such as land or property. Capital receipts cannot be used to fund revenue services.
<i>CIPFA</i>	Chartered Institute of Public Finance and Accountancy for England and Wales.
<i>Consistency</i>	This is one of the fundamental accounting concepts. It requires the Council to treat similar items of income and expenditure the same way, both within an accounting period and from one accounting period to the next.
<i>Creditor</i>	This is the amount of money the Council owes to others for goods and services that have been supplied in the accounting period but not paid for.
<i>Debtors</i>	This is the amount of money others owe to the Council for goods and services that they have received but have not paid for by the end of the accounting period.
<i>Depreciation</i>	This is a charge made to the revenue account each year that reflects the reduction in the value of land, property and equipment used by the Council to deliver services.
<i>Liabilities</i>	Money that will be paid to people or organisations in the future.
<i>Provisions</i>	This is a sum of money that has been set-aside in the accounts for liabilities or losses that are due but where the amount due or the timing of the payment is not known with any certainty.
<i>Reserves</i>	A reserve results from the accumulation of surpluses, deficits and appropriations over past years.
<i>Revenue Spending</i>	Spending on the day-to-day running of services - mainly salaries, running expenses of buildings and equipment. These costs are met from the Precept and grant.