

TENBURY TOWN COUNCIL



(UNAUDITED ACCOUNTS)

STATEMENT OF ACCOUNTS 2016/2017

2016/2017

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Introduction

The Council's Statement of Accounts for the financial year 2016/17 is set out on pages 9 - 19

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 - 11.

- **Balance Sheet (page 9)**

This sets out the Council's assets and liabilities as they were at 31 March 2017. It shows the level of reserves and balances at that date, together with investments. Notes to the Balance Sheet are on pages 12 - 15.

Explanatory Foreword

Revenue Spending in 2016/17

Revenue expenditure for 2016/17 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	67,206	30.27
Spending on Property	20,796	9.37
Spending on Transport	129	0.06
Supplies and Services	15,511	6.98
Payments to Other Organisations & Contractors	32,116	14.46
Payments to Reserves	33,728	15.19
Loan Repayments	1,460	0.66
Spending on Capital	51,100	23.01
Total	222,046	100

Where the Money came from	£	%
Precept – Council Tax	133,409	60.08
Local Council Tax Support Grant	9,024	4.06
Fees and Charges	8,778	3.95
Rents	8,718	3.93
Donations, Recoveries & Wayleaves	737	0.33
Grants	13,838	6.23
Interest	113	0.06
Contributions	42,102	18.96
From our Earmarked Reserves	5,327	2.40
Total	222,046	100

At the end of the year our total revenue reserves amounted to £111,624.36. The table below illustrates the different types of reserves that we hold.

Revenue Reserves	£:p
General Fund	28,537.44
Earmarked Reserves	83,086.92
Total	111,624.36

- 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 **2016/17** as compared with the actual outturn for the year.

	Original Budget	Actual
	£	£
Amount available from Precept	133,409	133,409
Local Council Tax Support Grant	9,024	9,024
	142,433	142,433
Plus transfer from/(to) balances	0	4,053
Budget requirement	142,433	123,430
General Fund Balance - 1st April, 2016	5,481	5,481
General Fund Balance - 31st March, 2017	5,481	28,537

The above table shows that there was an increase in the General Fund Balance of £23,056. There were, however, a number of variances in the budget. Details of the main reasons are set out in the table below.

	£	£
<u>Reduced Income:</u>		
Recoveries & Interest		504
<u>Additional Income:</u>		
Donations & Fees & Charges	(792)	
Rent	(1,706)	
Grants	(10,838)	
Contributions	(42,102)	
		(55,438)
<u>Savings in Expenditure:</u>		
Mayoral Expenses	(791)	
Other Supplies & Services	(1,041)	
Training	(1,140)	
Insurance	(1,588)	
Contingency	(2,000)	
Utilities, Licences & Rates	(2,665)	
Salaries & On-costs	(4,304)	
Repairs & Maintenance	(8,665)	
		(22,194)
<u>Increase in Expenditure:</u>		
Internal Audit Services	790	
Pension & Payroll Service	1,623	
Equipment	2,046	
Consultant Fees	2,340	
Contribution to Reserves	6,724	
Skate Park	49,929	
		63,452
<u>Contribution from Reserves:</u>		(9,380)
		(23,056)

Explanatory Foreword (Cont'd)

Assets

The current value of the majority of the Council's Asset Portfolio is £1,257,488. The Council's a. 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 2016/17 are prepared and reported to Members by 30 June 2016.

Further Information

For more information about these accounts, please contact Lesley 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 5th June 2017

Signed on behalf of Tenbury Town Council
Councillor

Date: 5 June 2017

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 9 -19 present fairly the financial position of Tenbury Town Council as at 31 March 2017 and its income and expenditure for the year then ended.

Mrs L. Bruton
Town Clerk and Responsible Finance Officer

Date:

The Statement of Accounts was approved at the meeting of the Council held on 5 June 2017.

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 in Local Councils in England and Wales: A Practitioners Guide*.

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 an accruals basis, and is included in the Balance Sheet as Usable Capital Receipts Reserve. No assets were disposed of in 2016/17.

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 2017 was nil.

The Council has an outstanding PWLB loan totalling £3,497 as at 31 March 2017.

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 2016/17 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.
- General Reserve. The Council can decide how to spend this money.

Full details of the Council's earmarked reserves are shown on pages 13 – 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 2016/17.

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 £25,972 with Worcestershire County Council in a 7 day Notice Account as at 31 March 2017.

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 £361.20 (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 2017

A summary of the Council's Income and Expenditure Account for the year ended 31 March 2017 is set out below, together with references to further detailed notes contained in pages 10 – 11.

	Services	Expenditure 2016/17 £	Income 2016/17 £	Net 2016/17 £	Notes
	Administration	80,810	64	80,746	1/4
	Democratic Representation	2,264	1,555	709	
	Community Services	9,521	7,203	2,318	2
	The Pump Rooms	6,703	4,764	1,939	
	The Regal	10,494	4,404	6,090	2
	Changing Rooms	196	118	78	
	Palmers Meadow	10,076	3,316	6,760	
	The Burgage	4,189	1,490	2,699	
	Bowling Green & Tennis Courts	9,008	2,391	6,617	
	Cemetery	30	480	(450)	
	Planning	4,021	4,590	(569)	
	Capital	51,100	45,352	5,748	
	Repayment of Loans	1,460		1,460	
	Net Cost of Services	189,872	75,727	114,145	
	Interest earned on Cash Balances			(113)	3
	Transfer (from)/to Earmarked			9,397	5
	Transfer to Earmarked Reserve			19,004	
				142,433	
	<u>Where we got the money from:</u>				
	Grant Funding – Local Council Tax Support Grant			(9,024)	
	Precept			(133,409)	
				(142,433)	

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 2017

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

	Balance Sheet	Notes	31 March 2017 £	
	<u>Current Assets</u>			
	Money owed by Debtors	1	5,803	
	Short Term Investments		25,971	
	Cash in Hand		84,281	
	<u>Current Liabilities</u>			
	Money owed to Creditors	3	(4,431)	
	Total Assets less Current Liabilities			111,624
	<u>FUNDED BY</u>			
	General Fund		(28,537)	
	Earmarked Reserves	5	(83,087)	
				(111,624)

Notes to the Income and Expenditure Account

1. Employee Costs

	Employee Costs	2016/17 £
	Salaries (Less Recoveries)	61,726
	Employers – National Insurance Contributions	3,740
	Employers – Pension Contributions (LGPS)	1,730
	Total	67,196

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 a fund.

2. Grants

Grants	2016/17 £
Tenbury in Bloom	150
Tenbury Tourism Partnership	350
Tenbury Chamber of Trade (Christmas Lights)	500
Tenbury Transport Trust	500
The Regal Trust Tenbury	10,000
Total	11,500

3. Interest

	Interest Received	2016/17 £
	Deposit Account	99
	Short-Term Investment Accounts	14
	Total	113

4. Disclosure of Audit Costs

The table below shows the fees incurred by the Council in 2015/16 and 2016/17 relating to external audit and inspection.

	2015/16 £	2016/17 £
<ul style="list-style-type: none"> Fees payable to Grant Thornton LLP with regard to external audit services carried out by the appointed auditor 	400	400
Total	400	400

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 2016/17.

	Contributions to and from Reserves	2016/17 £
	<u>Contributions to Reserves</u>	
	Car Park	1,000
	Carry Forwards	3,200
	Changing Rooms	1,000
	Elections	250
	Neighbourhood Plan	2,569
	Pavilion	1,000
	Play Areas	955
	Pump Rooms	2,000
	Tennis Courts	1,000
	Tree Works	1,000
	Wedding Licence	750
	Total Contributions to Reserves	14,724
	<u>Contributions from Reserves</u>	
	Car Park	(750)
	Skate Park	(4,577)
	Total Contributions from Reserves	(5,327)
	Net Contributions (from)/to Reserves	9,397

Notes to the Balance Sheet

1. Debtors

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

	Debtors	31 March 2017 £
	Amount Falling (Due within one year)	
	Accrued Income	4,285
	H M Revenue and Customs	1,308
	Prepayments	210
	Total Short Term Debtors	5,803

2. Stock

The Council held no items of stock as at 31 March 2017

3. Creditors

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

	Creditors	31 March 2017 £
	Receipts in Advance	815
	Accruals	3,616
	Total Creditors	4,431

Notes to the Balance Sheet (Cont'd)

4. Provisions

A provision should only be recognised when an organisation has a present obligation (legal or constructive) as 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 2017.

5. Earmarked Reserves

Earmarked Reserves	Balance 1/04/16 £	Contribution from General Fund	Contribution to General Fund	Balance 31/03/17 £
(a) Elections	2,100	250	-	2,350
(b) General Contingency	4,053	-	(4,053)	-
(c) Wedding Licence	250	750	-	1,000
(d) Car Park Maintenance	1,250	-	(750)	500
(e) Car Park Resurfacing	10,000	1,000	-	11,000
(f) Carry Forward	-	3,200	-	3,200
(g) Changing Rooms	4,000	1,000	-	5,000
(h) Pavilion	5,000	1,000	-	6,000
(i) Play Area	-	955	-	955
(j) Pump Rooms	10,000	2,000	-	12,000
(k) Regal Long Term Maintenance	25,760	-	-	25,760
(l) Skate Park	8,000	-	(4,577)	3,423
(m) Tennis Courts	4,330	1,000	-	5,330
(n) Tree Works	-	1,000	-	1,000
(o) Neighbourhood Planning	3,000	2,569	-	5,569
Total	77,743	14,724	(9,380)	83,087

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

Notes to the Balance Sheet (Cont'd)

- (a) 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.
- (b) General Contingency Reserve – This reserve has not been earmarked for a specific purpose and the balance, therefore, has been transferred to the General Fund Reserve.
- (c) 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 April 2016 at a cost of £1,750. An annual contribution of £750 has been made to the reserve.
- (d) 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. No contribution was made to the reserve in 2016/17.
- (e) Car Park Resurfacing Reserve – This reserve was established to fund the future cost of resurfacing the Palmers Meadow car park.
- (f) Carry Forward Reserve – Funding was provided by Worcestershire County Council towards White Gates for St. Michael's and new 'Welcome to Tenbury' signs, which will be ordered in the new financial year. The funding, therefore, has been transferred to the reserve to finance the gates and signs in 2017/18.
- (g) 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.
- (h) Pavilion Reserve – This reserve was established to help fund the rebuild of the pavilion. An annual contribution of £1,000 is made to the reserve. It is anticipated that s106 monies will be available in the future to support this project.
- (i) Play Areas Reserve – This reserve has been established to fund the on-going maintenance of the children's play areas.
- (j) Pump Rooms – This reserve has been established to fund future repair and renewal costs. Maintenance works including internal and external decoration, boiler and hot water replacement systems and flood defences are required. An annual contribution of £2,000 is made to the reserve.
- (k) Regal Maintenance Reserve – This reserve has been established to fund the maintenance or renewal costs of equipment and fixture and fittings in The Regal.
- (l) Skate Park Reserve – This reserve has been established to fund the refurbishment of the skate park and future replacement costs.
- (m) Tennis Courts Reserve – This reserve has been established to fund the cost of resurfacing the courts and replacement cost of the nets. An annual contribution of £1,000 is made to the reserve.
- (n) Tree Works Reserve – This reserve has been established to fund works to the trees located in the Palmers Meadow and the Burgage. An annual inspection is carried out to assess the condition of the trees and any required works. An annual contribution of £1,000 is made to the reserve.

- (o) Neighbourhood Planning Reserve – This reserve was established to fund the development and implementation of a Neighbourhood Plan. A contribution of £1,750 was received from Burford parish Council towards the Plan, which has been transferred to the reserve together with the under spend in the 2016/17 revenue budget for Neighbourhood Planning.

Note to the Annual Return

FIXED ASSETS	2016/17 £	2016/17 £
<u>BUILDINGS</u>		
The Regal	784,737	
The Pump Rooms	150,077	
Changing Rooms	47,081	
Pavilion & Tennis Courts	57,213	
Groundsman Hit	5,564	
		1,044,672
<u>LAND</u>		
Palmers Meadow & The Burgage		100,000
<u>EQUIPMENT</u>		
Benches, Fences, Bins & Gates	12,716	
Playground Equipment	41,341	
Street Lights	16,000	
Office Equipment	4,000	
Skateboard Ramps	22,000	
Basketball Posts	1,620	
Lawn Mower	3,000	
		100,450
<u>OTHER ASSETS</u>		
Public Shelter	6,000	
Pagoda	4,095	
War Memorial	2,271	
		12,366
Total		1,257,488

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.