

**Totton & Eling Town Council**

**Statements of Accounts**

**For the year ended 31 March 2008**

**Totton & Eling Town Council**

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**31 March 2008**

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**Totton & Eling Town Council**

**Council Information**

**31 March 2008**

**( Information current at 18th June 2008 )**

**Chairman**

Cllr Mrs D. M. Brooks

**Councillors**

Cllr C. Lagdon (Vice Chairman)

Cllr D. A. Britton

Cllr T. M. Bushrod

Cllr W. R. Catt

Cllr Mrs A. A. Coffin

Cllr G. F. Dart

Cllr Rev'd L. E. Edwards

Cllr L. E. Harris

Cllr D. Harrison

Cllr D. A. Hibbert

Cllr B. D. Lucas

Cllr N. S. Penman

Cllr D. J. Russell

Cllr J. M. Sawyer

Cllr N. E. Scott

Cllr R. F. Scrivens

Cllr Mrs J. A. Shaw

Cllr A. Weeks

Cllr Mrs L. E. Weeks

**Clerk to the Council**

Mr D. I. Biggs, D.M.A.

**Auditors**

Audit Commission

Collins House

Bishopstoke Road

Eastleigh

Hampshire

SO50 6AD

## **Totton & Eling Town Council**

### **Explanatory Foreword**

**31 March 2008**

The council's Statements of Accounts for the year ended 31 March 2008 are set out on the following pages.

They consist of the following statements:

#### **The Income and Expenditure Account**

The council's revenue account, which sets out income and expenditure on all services, interest payable and receivable, profits/losses on disposal of fixed assets and sources of the council's income from revenue grants and taxation (Precept)

#### **The Statement of Movements on the General Fund**

This statement consolidates the council's surplus or deficit for the year, as set out in the Income and Expenditure Account with all other statutory and non-statutory proper practices that are required to be charged to the council's General Fund in order to determine the council's budget and, in turn, its Council Tax (Precept) demand.

#### **The Balance Sheet**

This sets out the financial position of the council on 31 March 2008, i.e. its assets and liabilities at that date.

#### **The Cash Flow Statement**

This summarises inflows and outflows of cash arising from the revenue and capital transactions with third parties.

#### **Statement of Total Recognised Gains and Losses**

This statement sets out the total gains and losses enjoyed and suffered by the council, not all of which are reported in the Income and Expenditure Account, and their effect on the council's reserves during the year.

#### **Statement of Accounting Policies**

This statement explains the basis for the recognition, measurement and disclosure of transactions and other events in the accounts.

#### **Notes to the Accounts**

These provide further information on the amounts included in the financial statements.

This foreword provides a brief explanation of the financial aspects of the council's activities and draws attention to the main characteristics of the financial position, including the year's budget, as summarised below.

## **Totton & Eling Town Council**

### **Explanatory Foreword**

**31 March 2008**

#### **Budget Comparison for the year ended 31 March 2008**

The following shows a comparison of the budget and out-turn figures for 2007/2008:

	<b>Budget £</b>	<b>Actual £</b>
Net Expenditure		
Cultural & Heritage	59,631	91,720
Recreation & Sport	594,609	722,947
Open Spaces	20,653	22,134
Community Safety	-	5,335
Planning & Development Services (including Markets)	48,375	32,951
Highways Roads (Routine)	(3,893)	19,334
Other Services to the Public	69,972	37,495
Investment Properties	(18,057)	(20,562)
Corporate Management	279,313	146,108
Democratic & Civic	154,512	118,129
Interest Income	(48,000)	(83,611)
Net contribution (from)/to reserves and other adjustments	<u>(153,395)</u>	<u>(88,260)</u>
<b>Precept on District Council</b>	<b><u>1,003,720</u></b>	<b><u>1,003,720</u></b>

The net underspendings on services of £65,135 are reflected in a reduced contribution to reserves and capital expenditure provision.

#### **Review of Significant Events**

The council has, during the financial year, completed the redevelopment of the West Totton Centre and also completed the extension to the Hounslow Hall to provide extra storage. Additionally, the Splash Pad Pool at Eling was commenced and these accounts include expenditure on this project. Funding has been by capital grants, capital monies held and use of developers contributions. No other major projects were commenced during the year.

In terms of funds held, the council has resolved to use some of its revenue balances to enable minor projects to be completed earlier than expected.

The council's precept was below inflation in the financial year, and will be again in 2008/9.

The council has agreed to maintain the developers' contributions held for West Totton maintenance as investments to ensure adequate resources are available from interest earned. The three year programme has expectations for approved projects to use some of the capital monies currently held by the council.

#### **Further Information**

Further information about the accounts is available from Civic Centre, Totton, Southampton, Hampshire, SO40 3AP, United Kingdom. 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 in the press and on the notice board outside the council offices.

**Totton & Eling Town Council**

**Statement of Responsibilities**

**31 March 2008**

**The Council's Responsibilities**

The council is required:

- to make arrangements for the proper administration of its financial affairs,
- to secure that one of its officers (R.F.O.) has the responsibility for the administration of those affairs. At this council that officer is the Town Clerk,
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets, and
- to approve the Statement of Accounts.

**The Responsible Financial Officer's Responsibilities**

The R.F.O. Is responsible for the preparation of the council's Statements of Accounts in accordance with the 'Code of Practice on Local Authority Accounting in Great Britain' (the code), so far as is applicable to this council, to present fairly the financial position of the council at 31 March 2008 and its income and expenditure for the year then ended.

In preparing the Statements of Accounts, the R.F.O. has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent, and
- complied with the code.

The R.F.O. has also:

- kept proper accounting records, which were up to date, and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

**Responsible Financial Officer's Certificate**

I hereby certify that the Statements of Accounts for the year ended 31 March 2008 required by the Accounts and Audit Regulations 2003 are set out in the following pages.

I further certify that the Statements of Accounts present fairly the financial position of Totton & Eling Town Council at 31 March 2008, and its income and expenditure for the year ended 31 March 2008.

Signed: .....

Town Clerk

Date: .....

**Totton & Eling Town Council**  
**Annual Governance Statement**  
**31 March 2008**

**Scope of Responsibility**

Totton & Eling Town Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

The Council has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. This statement explains how the Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

**The purpose of the governance framework**

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Totton & Eling Town Council for the year ended 31 March 2008 and up to the date of approval of the annual report and accounts.

**The governance framework**

The key elements of Totton & Eling Town Council's systems and processes that comprise the governance arrangements are:-

- The Council identifies its visions as part of its programme setting process and communicates its intentions and intended outcomes to its citizens and service users via its web site, local news leaflet and press releases.
- The Council measures the quality of service to users by regularly carrying out surveys of users and carrying out comparisons with other suitable authorities. This process was carried out under Best Value and in future will be under the Council's new performance arrangements.
- The definition and documenting of the roles within the authority are as contained within the Council's standing orders and delegation scheme. The Council's disciplinary and grievance procedures cover the staff element and the Council Members are covered by the national code of conduct adopted by the Town Council.
- The Council procedures are updated when required to take account of changes in legislation and the changing needs of the authority. The Policy and Resources Committee acts as the Committee for assuring adherence with financial matters and is the Committee responsible also in regard to matters of complying with all laws and regulations.

**Totton & Eling Town Council**  
**Annual Governance Statement**  
**31 March 2008**

- The Council has an informal and formal complaints procedure for the public and whilst no formally whistle blowing procedure is in place the Council's grievance procedure would permit such matters to be dealt with properly.
- The Council has clear channels of communication with all sectors including public sessions before its meetings, regular surveys of users and local residents' needs and views and encourages the public to give to the Council their views upon all aspects of the Council services provided.
- The Council has agreed as a fundamental policy partnership working with other local authorities and organisations within the Town where benefit can be shown by such partnership working.

**Review of effectiveness**

Totton & Eling Town Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the control exercised by members and the work of the internal auditor and the executive managers within the Council, who have responsibility for the development and maintenance of the governance framework. It is further enhanced by reports and comments made by the external auditors and other review agencies and inspectors.

We continue to be advised on the implications of the result of the review of the governance framework by the Council, relevant committees, officers and the internal auditor, and plan to address weaknesses as they arise and thus ensure continuous improvement of the system is in place.

**Significant governance issues**

To date no significant governance issues have been identified. As such issues arise, effective steps will be taken to ensure that matters are addressed, weaknesses eradicated and revised arrangements implemented at the earliest possible opportunity.

**Approval of Statement**

This statement was approved at a meeting of the council held on 24th September 2008 when authority was given for the Chairman and the Town Clerk to sign.

Signed: .....

Cllr Mrs D. M. Brooks  
Chairman

.....

Mr D. I. Biggs, D.M.A.  
Town Clerk

Date: .....

**Totton & Eling Town Council**

**Auditor's Report to the Council**

**31 March 2008**

**Independent auditor's report to the Members of Totton and Eling Town Council**

**Opinion on the financial statements**

I have audited the accounting statements and related notes of Totton and Eling Town Council for the year ended 31 March 2008 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, the Statement of the Movement on the General Fund Balance, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement, and the related notes. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the members of Totton and Eling Town Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

**Respective responsibilities of the Chief Financial Officer and auditor**

The Chief Financial Officer's responsibilities for preparing the financial statements in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007 are set out in the Statement of Responsibilities for the Statement of Accounts.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the accounting statements present fairly the financial position of the Council and its income and expenditure for the year, in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007:

I review whether the governance statement reflects compliance with 'Delivering Good Governance in Local Government: A Framework' published by CIPFA/SOLACE in June 2007. I report if it does not comply with proper practices specified by CIPFA/SOLACE or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the governance statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Council's corporate governance procedures or its risk and control procedures.

I read other information published with the Council's accounting statements, and consider whether it is consistent with the audited accounting statements. This other information comprises the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the accounting statements. My responsibilities do not extend to any other information.

**Basis of audit opinion**

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Council in the preparation of the accounting statements and related notes, and of whether the accounting policies are appropriate to the Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounting statements and related notes are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounting statements and related notes.

**Totton & Eling Town Council**  
**Auditor's Report to the Council**  
**31 March 2008**

**Opinion**

In my opinion:

the Council's financial statements present fairly, in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007, the financial position of the Council as at 31 March 2008 and its income and expenditure for the year then ended.

**Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources**

**Council's responsibilities**

The Council is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance and regularly to review the adequacy and effectiveness of these arrangements.

**Auditor's responsibilities**

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Council for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria specified by the Audit Commission for other local government bodies. I report if significant matters have come to my attention which prevent me from concluding that the Council has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

**Conclusion**

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for other local government bodies specified by the Audit Commission and published in December 2006, I am satisfied that, in all significant respects, Totton and Eling Town Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2008.

**Best Value Performance Plan**

I have issued our statutory report on the audit of the council's best value performance plan for the financial year 2007/08 on 11 December 2007. I did not identify any matters to be reported to the council and did not make any recommendations on procedures in relation to the plan.

**Certificate**

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

K L Handy  
District Auditor,  
  
Audit Commission,  
Collins House,  
Bishopstoke Road,  
Eastleigh, Hampshire,  
SO50 6AD

September 2008

**Totton & Eling Town Council**  
**Income and Expenditure Account**

**31 March 2008**

	Notes	2008 £	2008 £	2008 £	2007 £
		Gross Expenditure	Income	Net Expenditure	Net Expenditure
<b>CULTURAL &amp; RELATED SERVICES</b>					
Cultural and Heritage		106,576	(14,856)	91,720	70,953
Recreation and Sport		954,281	(231,334)	722,947	484,714
Open Spaces		28,098	(5,964)	22,134	19,039
<b>ENVIRONMENTAL SERVICES</b>					
Community Safety		5,335	-	5,335	2,680
<b>PLANNING &amp; DEVELOPMENT SERVICES</b>					
Planning Policy		8,015	-	8,015	8,123
Economic Development (including markets)		8,009	(5,620)	2,389	(19,566)
Community Development		22,547	-	22,547	21,250
<b>HIGHWAYS, ROADS &amp; TRANSPORT SERVICES</b>					
Highways/Roads (Routine)		19,608	(274)	19,334	22,970
<b>OTHER SERVICES</b>					
Other Services to the Public		54,995	(17,500)	37,495	34,542
Investment Properties		1,572	(22,134)	(20,562)	(22,263)
<b>CENTRAL SERVICES</b>					
Corporate Management		192,085	(45,977)	146,108	150,829
Democratic Representation and Management		100,968	-	100,968	73,174
Civic Expenses		17,161	-	17,161	15,057
<b>Net Cost of Services</b>		<b>1,519,250</b>	<b>(343,659)</b>	<b>1,175,591</b>	<b>861,502</b>
Interest and Investment Income	1			(83,611)	(63,633)
<b>Net Operating Expenditure</b>				<b>1,091,980</b>	<b>797,869</b>
Precept on District Council				(1,003,720)	(975,737)
<b>Deficit/(Surplus) for the Year</b>				<b>88,260</b>	<b>(177,868)</b>

*The notes on pages 18 to 27 form part of these accounts.*

**Totton & Eling Town Council**

**Statement of Movement on the General Fund Balance**

**31 March 2008**

	Notes	2008 £	2007 £
Deficit/(Surplus) for the year on the Income and Expenditure Account.		88,260	(177,868)
Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year.	9	(59,709)	42,364
<hr/>			
Decrease/(Increase) in General Fund Balance for the Year		28,551	(135,504)
General Fund Balance brought forward		(395,427)	(259,923)
<hr/>			
General Fund Balance carried forward		(366,876)	(395,427)
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*The notes on pages 18 to 27 form part of these accounts.*

**Totton & Eling Town Council**  
**Statement of Total Recognised Gains and Losses**  
**31 March 2008**

	Notes	2008 £	2007 £
Deficit/(Surplus) for the year on the Income and Expenditure Account.		88,260	(177,868)
Deficit/(Surplus) arising on revaluation of fixed assets	18	-	(740,588)
		-	-
<b>Total recognised losses/(gains) for the year</b>		<b>88,260</b>	<b>(918,456)</b>

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*The notes on pages 18 to 27 form part of these accounts.*

**Totton & Eling Town Council**

**Balance Sheet**

**31 March 2008**

	Notes	2008 £	2008 £	2007 £
<b>Fixed Assets</b>				
Tangible Fixed Assets	10		7,356,623	7,433,997
<b>Current Assets</b>				
Debtors	13	41,485		28,845
Cash at bank and in hand		1,463,871		1,403,379
		<u>1,505,356</u>		<u>1,432,224</u>
<b>Current Liabilities</b>				
Creditors and accrued expenses	14	<u>(79,189)</u>		<u>(63,869)</u>
<b>Net Current Assets</b>			1,426,167	1,368,355
<b>Total Assets Less Current Liabilities</b>				
Deferred Grants	16		8,782,790	8,802,352
			<u>(3,583,911)</u>	<u>(3,515,213)</u>
			<u>5,198,879</u>	<u>5,287,139</u>
<b>Capital and Reserves</b>				
Capital Adjustment Account	19		3,926,766	3,986,475
Usable Capital Receipts Reserve	20		242,953	242,953
Earmarked Reserves	21		662,284	662,284
General Reserve			366,876	395,427
			<u>5,198,879</u>	<u>5,287,139</u>

These accounts have been approved by the Council.

Signed: .....

Cllr Mrs D. M. Brooks  
Chairman

.....

Mr D. I. Biggs, D.M.A.  
Responsible Financial Officer

Date: .....

.....

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*The notes on pages 18 to 27 form part of these accounts.*

**Totton & Eling Town Council**

**Cash Flow Statement**

**31 March 2008**

	Notes	2008 £	2008 £	2007 £
<b>REVENUE ACTIVITIES</b>				
<i>Cash outflows</i>				
Paid to and on behalf of employees		(673,229)		(611,114)
Other operating payments		(713,066)		(607,914)
			(1,386,295)	(1,219,028)
<i>Cash inflows</i>				
Precept on District Council		1,003,720		975,737
Cash received for services		337,886		501,825
			1,341,606	1,477,562
<b>Net cash (outflow)/inflow from Revenue Activities</b>	24		(44,689)	258,534
<b>SERVICING OF FINANCE</b>				
<i>Cash inflows</i>				
Interest received		85,334		63,234
<b>Net cash inflow from Servicing of Finance</b>			85,334	63,234
<b>CAPITAL ACTIVITIES</b>				
<i>Cash outflows</i>				
Purchase of fixed assets		(123,066)		(196,793)
Loans made		-		-
<i>Cash inflows</i>				
Capital grant received		142,020		226,155
Loan repayments received		893		1,580
<b>Net cash inflow from Capital Activities</b>			19,847	30,942
<b>Net cash inflow before Financing</b>			60,492	352,710
<b>Increase in cash</b>	25		<b>60,492</b>	<b>352,710</b>

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*The notes on pages 18 to 27 form part of these accounts.*

**Totton & Eling Town Council**  
**Statement of Accounting Policies**

**31 March 2008**

**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 2007 Statement of Recommended Practice on Local Authority Accounting in Great Britain (the 2007 SORP), together with the Best Value Code of Accounting Practice (BVACOP) where applicable.

It is also a requirement of the code that service revenue account include depreciation 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 authority and the services it provides, for a period of more than one year. Fixed assets are valued on the basis recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) and in accordance with the statements of asset valuation principles and guidance notes issued by the Royal Institution of Chartered Surveyors (RICS). The closing balances are stated on the following basis:

land and buildings are included in the balance sheet at Depreciated Replacement Cost (DRC). The DRC basis of valuation requires an estimate of the value of land in its existing use, together with current replacement cost of the building and its external works, from which appropriate deductions have been made to reflect the age, condition, economic, functional and environmental obsolescence and other locational factors which might result in the existing building being worth less than a new replacement building.

infrastructure assets are included at historical cost, net of depreciation

certain community assets are the subject of restrictive covenants as to their use and /or future disposal. Such assets are therefore considered to have no appreciable realisable value and are included at nominal value only.

The surplus or deficit arising on periodic revaluations of fixed assets has been credited or debited to the Revaluation Reserve. Subsequent revaluations of fixed assets are planned at five yearly intervals, although material changes to asset valuations will be adjusted in the interim period, should they occur.

In accordance with Financial Reporting Standard (FRS) 15 depreciation is provided on all operational buildings (but not land), as well as other assets.

**Impairment**

The council is required to carry out a review of the condition of its assets annually to ensure that the values as reflected in the accounts are not materially overstated. Any material overstatement is corrected by additional provisions for impairment of value as required.

**Depreciation Policy**

Buildings are depreciated over the shorter of 50 years or the anticipated remaining useful lives on a straight line basis (subject to revaluations as stated above).

Vehicle, plant, equipment and furniture are depreciated over 5-10 years at 10-20% per annum straight line.

Play equipment is not depreciated.

Infrastructure assets are depreciated over 10 years at 10% per annum straight line.

Community assets are not depreciated.

**Totton & Eling Town Council**  
**Statement of Accounting Policies**

**31 March 2008**

**Grants or Contributions from Government or Related Bodies**

Where a fixed asset has been acquired or improved with the financing either wholly or in part by a grant or contribution from government or a related body, e.g. Sports Council, the amount of the grant has been credited to Deferred Grants Account and carried forward. Grants so credited are released back to revenue over the life of the asset to match, and thereby offset wholly or in part, depreciation charged.

**Debtors and Creditors**

The revenue accounts of the council are maintained on an accruals basis in accordance with the code. That is sums due to or from the council during the year are included whether or not the cash has actually been received or paid in the year. Exceptions to this are payment of insurance premiums and regular quarterly accounts (e.g. telephones, electricity). This policy is applied consistently each year. Therefore, it will not have a material effect on the year's accounts or on the council's annual budget.

**VAT**

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

**External Loan Repayments**

The council has no long term borrowing. Consequently, there were no external loan repayments made in the year.

**Leases**

Details of the council's obligations under operating leases are shown at note 15.

**Reserves**

The council maintains certain reserves to meet general and specific future expenditure. The purpose of the council's reserves is explained in notes 18 to 21

Certain reserves are maintained to manage the accounting processes for tangible fixed assets, available for sale investments and retirement benefits. They do not represent usable resources for the council:

Revaluation Reserves – hold balances representing unrealised gains on the appropriate asset since 1<sup>st</sup> April 2007.

Asset Adjustment Accounts – represent the council's investment of resources in such assets already made.

Pension Fund Reserve – represents the council's interest in the net assets/liabilities in the fund in which it participates.

**Interest Income**

All interest receipts are credited initially to general funds.

**Cost of Support Services**

The costs of management and administration have been apportioned to all services on an appropriate and consistent basis.

**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 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 pension fund, in accordance with relevant government regulations.

The next actuarial valuation is due at 31st March 2010 and any change in contribution rates as a result of that valuation will take effect from 1st April 2011.

## Totton & Eling Town Council

### Notes to the Accounts

31 March 2008

#### **1 Interest and Investment Income**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Interest Income - General Funds	83,611	63,633
	<u>83,611</u>	<u>63,633</u>

#### **2 Related Party Transactions**

The council, members and officers entered into no material transactions with related parties during the year.

#### **3 Audit Fees**

The council is required to report and disclose the cost of services provided by its external auditors.

These may be summarised as follows:

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Fees for statutory audit services	7,500	7,342
Fees for the audit of Best Value Performance	-	486
Fees for Audit of Use of Resources and Value for Money conclusion	3,284	3,199
Total fees	<u>10,784</u>	<u>11,027</u>

#### **4 Publicity**

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

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Other Advertising	-	1,739
Publicity	4,036	2,362
Heritage Centre Publicity	162	870
Garage Publicity	39	-
Bowling Green Publicity	78	90
Tide Mill Publicity	350	-
West Totton Centre Publicity	439	518
	<u>5,104</u>	<u>5,579</u>

#### **5 S.137 Expenditure**

Section 137 of the Local Government Act 1972 (as amended) enables the council to spend up to the product of £5.64 (year ended 31 March 2007 - £5.44) 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.

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
The total amount of available for this purpose was	<u>125,721</u>	<u>120,251</u>
Expenditure was incurred for the following purposes:		
Grants	<u>6,397</u>	<u>7,500</u>
	<u>6,397</u>	<u>7,500</u>

## **Totton & Eling Town Council**

### **Notes to the Accounts**

**31 March 2008**

#### **6 Members' Allowances**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Members of Council have been paid the following allowances for the year:		
Chairman's Allowance	225	(521)
Councillors' Expenses	4	42
Members' Allowances	16,932	15,536
	<u>17,161</u>	<u>15,057</u>

Other than the Chairman all of the total of 20 members claimed allowances to which they were entitled.

#### **7 Employees**

The average weekly number of employees during the year was as follows:

	<b>2008</b>	<b>2007</b>
	<b>Number</b>	<b>Number</b>
Full-time	11	11
Part-time	49	44
Temporary	-	4
	<u>60</u>	<u>59</u>

All staff are paid in accordance with nationally agreed pay scales.

No officer received a salary in excess of £60,000

The number of officers whose remuneration, excluding pension contributions, was £60,000 or more, in bands of £10,000 were:

#### **8 Pension Costs**

The council participates in the Hampshire County Council. The Hampshire County Council is a defined benefit scheme, but the council is unable to identify its share of the underlying assets and liabilities because all town and parish councils in the scheme pay a common contribution rate.

The cost to the council for the year ended 31 March 2008 was £59,136 (31 March 2007 - £52,099).

The most recent actuarial valuation was carried out as at 31st March 2007, and the council's contribution rate is confirmed as being 18.10% of employees' pensionable pay with effect from 1st April 2008 (year ended 31 March 2008 – 17.70%).

Financial Reporting Standard 17 (FRS17): "Retirement Benefits" sets out accounting requirements for pension costs. For schemes such as Hampshire County Council, 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.

**Totton & Eling Town Council**

**Notes to the Accounts**

**31 March 2008**

**9 Reconciling Items for the Statement of Movement on the General Fund Balance**

	<b>31 March 2008 £</b>	<b>31 March 2008 £</b>	<b>31 March 2007 £</b>
<b>Amount included in the Income and Expenditure Account but required by statute to be excluded when determining the Movement on the General Fund Balance for the year</b>			
Reversal of Depreciation	(206,285)		(202,846)
Deferred grants released	73,322		73,322
	<hr/>	(132,963)	<hr/> (129,524)
<b>Amounts not included in the Income and Expenditure Account but required to be included by statute when determining the Movement on the General Fund Balance for the year</b>			
Capital expenditure charged in-year to the General Fund Balance	73,254		19,338
	<hr/>	73,254	<hr/> (19,338)
<b>Transfers to or from the General Fund Balance that are required to be taken into account when determining the Movement on the General Fund Balance for the year</b>			
Capital Receipts utilised	-		(14,660)
Net transfer to or from Earmarked Reserves	-		167,210
	<hr/>	-	<hr/> (152,550)
<b>Net additional amount required to be debited/(credited) to the General Fund Balance for the year</b>		<b>(59,709)</b>	<b>42,364</b>

**Totton & Eling Town Council**

**Notes to the Accounts**

**31 March 2008**

**10 Tangible Fixed Assets**

	<b>Operational Freehold Land and Buildings</b>	<b>Operational Leasehold Land and Buildings</b>	<b>Vehicles and Equipment</b>	<b>Infra- structure Assets</b>	<b>Community Assets</b>	<b>Non- operational Assets – Investment Properties</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 31 March 2007	3,965,900	2,789,269	829,884	91,056	121,143	145,000	7,942,252
Additions	-	58,011	15,243	55,657	-	-	128,911
Surplus on revaluation	(330,000)	-	-	-	-	330,000	-
	<u>3,635,900</u>	<u>2,847,280</u>	<u>845,127</u>	<u>146,713</u>	<u>121,143</u>	<u>475,000</u>	<u>8,071,163</u>
<b>Depreciation</b>							
At 31 March 2007	-	(162,435)	(293,931)	(51,889)	-	-	(508,255)
Charged for the year	(55,598)	(56,905)	(84,675)	(9,107)	-	-	(206,285)
	<u>(55,598)</u>	<u>(219,340)</u>	<u>(378,606)</u>	<u>(60,996)</u>	<u>-</u>	<u>-</u>	<u>(714,540)</u>
<b>Net Book Value</b>							
At 31 March 2008	<u>3,580,302</u>	<u>2,627,940</u>	<u>466,521</u>	<u>85,717</u>	<u>121,143</u>	<u>475,000</u>	<u>7,356,623</u>
At 31 March 2007	<u>3,965,900</u>	<u>2,626,834</u>	<u>535,953</u>	<u>39,167</u>	<u>121,143</u>	<u>145,000</u>	<u>7,433,997</u>

Although classified as capital expenditure, certain minor equipment purchases are not included in the above as they are not material in overall value.

**Fixed Asset Valuation**

The freehold and leasehold properties that comprise the council's properties have been valued as at 31st March 2007 by external independent valuers, Messrs The Valuation Agency. Valuations have been made on the basis set out in the Statement of Accounting Policies, except that not all properties were inspected. This was neither practical nor considered by the valuer to be necessary for the purpose of valuation. Plant and machinery that form fixtures to the building are included in the valuation of the building.

**11 Financing of Capital Expenditure**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
The following capital expenditure during the year:		
Fixed Assets Purchased	<u>128,911</u>	<u>177,801</u>
	<u>128,911</u>	<u>177,801</u>
was financed by:		
Capital Receipts	-	14,660
Capital Grants	55,657	158,463
Loan Proceeds	-	-
Precept and Revenue Income	<u>73,254</u>	<u>4,678</u>
	<u>128,911</u>	<u>177,801</u>

**Totton & Eling Town Council**

**Notes to the Accounts**

**31 March 2008**

**12 Information on Assets Held**

Fixed assets owned by the council include the following:

**Operational Land and Buildings**

- Council Offices
- Pavilion(s) - at 2 recreation grounds
- Public Toilets
- Totton Bowling Green
- Community Centres - 5
- Heritage Centre
- Hangar Farm Arts Centre

**Vehicles and Equipment**

- Light Vans - 1
- Trucks - 1
- Sundry office equipment
- Play Equipment

**Infrastructure Assets**

- Street furniture

**Community Assets**

- The Green Route
- Allotments - 4
- Recreation grounds and playing fields - 5
- Childrens' play areas - 19
- Multisport Complex

**13 Debtors**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Trade Debtors	16,605	16,425
VAT Recoverable	15,462	8,670
Loan Debtors	-	893
Revenue Grant Debtors	6,700	-
Prepayments and Accrued Income	1,584	-
Accrued Interest Income	1,134	2,857
	<hr/> <hr/>	<hr/> <hr/>
	41,485	28,845

**Totton & Eling Town Council**

**Notes to the Accounts**

**31 March 2008**

**14 Creditors and Accrued Expenses**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Trade Creditors	29,989	34,922
Other Creditors	12,208	2,851
Accruals	19,348	15,404
Income in Advance	8,364	7,257
Capital Creditors	9,280	3,435
	<hr/>	<hr/>
	79,189	63,869
	<hr/> <hr/>	<hr/> <hr/>

**15 Financial Commitments under Operating Leases**

The council had annual commitments under non-cancellable operating leases as follows:

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Obligations expiring within one year	2,670	-
Obligations expiring between two and five years	10,449	13,119
	<hr/>	<hr/>
	13,119	13,119
	<hr/> <hr/>	<hr/> <hr/>

**16 Deferred Grants**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Capital Grants Unapplied</b>		
At 01 April 2007	67,692	-
Grants received in the year	142,020	226,155
Applied to finance capital investment	<u>(55,657)</u>	<u>(158,463)</u>
At 31 March 2008	<hr/>	<hr/>
	154,055	67,692
<b>Capital Grants Applied</b>		
At 01 April 2007	3,447,521	3,362,380
Grants Applied in the year	55,657	158,463
Released to offset depreciation	<u>(73,322)</u>	<u>(73,322)</u>
At 31 March 2008	<hr/>	<hr/>
	3,429,856	3,447,521
<b>Revenue Grants and S106 Revenue Contributions</b>		
At 01 April 2007	-	-
Received in the year	6,700	-
Returned in the year	-	-
Released to Revenue	<u>(6,700)</u>	<u>-</u>
At 31 March 2008	<hr/>	<hr/>
	-	-
<b>Total Deferred Grants</b>		
At 31 March 2008	<hr/>	<hr/>
	3,583,911	3,515,213
At 01 April 2007	<hr/>	<hr/>
	3,515,213	3,362,380

Capital Grants are accounted for on an accruals basis and grants received have been credited to Deferred Grants Account. Amounts are released from the Deferred Grants Account to offset any provision for depreciation charged to revenue accounts in respect of assets that were originally acquired with the assistance of such grants.

## **Totton & Eling Town Council**

### **Notes to the Accounts**

**31 March 2008**

#### **17 Summary of Movements on Reserves**

The council keeps a number of reserves in the Balance Sheet. Some are required to be held for statutory reasons, some are needed to comply with proper accounting practice, and others have been set up voluntarily to earmark resources for future spending plans.

<b>Reserve</b>	<b>Purpose of Reserve</b>	<b>Notes</b>	<b>Balance at 01 April 2007 £</b>	<b>Net Movement in Year £</b>	<b>Balance at 31 March 2008 £</b>
Capital Adjustment Account	Store of capital resources set aside to meet past capital expenditure	19	3,986,475	(59,709)	3,926,766
Usable Capital Receipts	Proceeds of fixed assets sales available to meet future capital investment	20	242,953	-	242,953
Earmarked Reserves	Amounts set aside from revenue to meet general and specific future expenditure	21	662,284	-	662,284
General Fund	Resources available to meet future running costs		395,427	(28,551)	366,876
Total			5,287,139	(88,260)	5,198,879

#### **18 Fixed Asset Restatement Account**

	<b>2008 £</b>	<b>2007 £</b>
Balance at 01 April	-	2,257,665
Revaluation of assets during the year	-	740,588
Balance transferred to CFA	-	(2,998,253)
Balance at 31 March	-	-

The previous system of accounting for local councils required the establishment of a Fixed Asset Restatement Account. The balance on this account represented the value of assets included in the Balance Sheet for the first time, together with subsequent revaluations and disposals up to 31<sup>st</sup> March 2007. This account has now been amalgamated with the Capital Finance Account to create the new Capital Adjustment Account. Subsequent revaluations will be accounted for through the new Revaluation Reserve.

**Totton & Eling Town Council**

**Notes to the Accounts**

**31 March 2008**

**19 Capital Adjustment Account**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Balance at 01 April	3,986,475	1,098,408
Financing capital expenditure in the year		
Additions - using capital receipts	-	14,660
Additions - using revenue balances	73,254	4,678
Reversal of depreciation	(206,285)	(202,846)
Deferred grants released	73,322	73,322
	<hr/>	<hr/>
	3,926,766	988,222
Balance transferred from FARA	-	2,998,253
Balance at 31 March	<hr/> <hr/>	<hr/> <hr/>
	3,926,766	3,986,475

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

**20 Capital Receipts Reserve**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Balance at 01 April	242,953	257,613
Capital used to fund expenditure	-	(14,660)
Balance at 31 March	<hr/> <hr/>	<hr/> <hr/>
	242,953	242,953

The Capital Receipts Reserve represents capital receipts available to finance capital expenditure in future years.

**21 Earmarked Reserves**

	<b>Balance at</b>	<b>Contribution</b>	<b>Contribution</b>	<b>Balance at</b>
	<b>01/04/2007</b>	<b>to reserve</b>	<b>from reserve</b>	<b>31/03/2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Green Route Maintenance Reserve	652,884	-	-	652,884
Asset Renewal Reserves	-	-	-	-
Other Earmarked Reserves	9,400	-	-	9,400
Total Earmarked Reserves	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	662,284	-	-	662,284

The Green Route Maintenance Reserve is credited with developers contributions in respect of open space maintenance and under all normal circumstance the interest received from that fund is allocated towards the costs of the maintenance of the open spaces concerned.

The Other Earmarked Reserves are credited with amounts set aside from revenue to fund specific known commitments of the council.

**Totton & Eling Town Council**

**Notes to the Accounts**

**31 March 2008**

**22 Capital Commitments**

The council was committed to the following Capital Expenditure at 31 March 2008

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Completion of Eling Splash Pool	105,000	-
Purchase of Minibus	37,000	-

The council had no other capital commitments at 31 March 2008 not otherwise provided for in these accounts.

**23 Contingent Liabilities**

The council is not aware of any contingent liabilities at the date of these accounts.

**24 Reconciliation of Revenue Cash Flow**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
(Deficit)/Surplus for the year	(88,260)	177,868
Add/(Deduct)		
FRS17 Costs less Contributions	-	-
Reversal of Depreciation less Deferred Grants Released	132,963	129,524
Interest and Investment Income	(85,334)	(63,234)
	-	-
(Increase)/Decrease in debtors	(13,533)	12,829
Increase in creditors	9,475	1,547
Increase in deferred revenue income		
Precept received in advance	-	-
Revenue activities net cash inflow	<u>(44,689)</u>	<u>258,534</u>

**25 Movement in Cash**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Balances at 01 April</b>		
Cash with accounting officers	1,200	1,090
Cash at bank	1,402,179	1,049,579
Bank overdraft	-	-
	<u>1,403,379</u>	<u>1,050,669</u>
<b>Balances at 31 March</b>		
Cash with accounting officers	2,461	1,200
Cash at bank	1,461,410	1,402,179
Bank overdraft	-	-
	<u>1,463,871</u>	<u>1,403,379</u>
<b>Net cash inflow</b>	<u>60,492</u>	<u>352,710</u>

**Totton & Eling Town Council**

**Notes to the Accounts**

**31 March 2008**

**26 Reconciliation of Net Funds/Debt**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Increase in cash in the year	60,492	352,710
Cash outflow from repayment of debt	-	-
<b>Net cash flow arising from changes in debt</b>	-	-
Movement in net funds in the year	60,492	352,710
Cash at bank and in hand	1,403,379	1,050,669
Total borrowings	-	-
<b>Net funds at 01 April</b>	1,403,379	1,050,669
Cash at bank and in hand	1,463,871	1,403,379
Total borrowings	-	-
<b>Net funds at 31 March</b>	1,463,871	1,403,379

**27 Post Balance Sheet Events**

There are no significant Post Balance sheet events.