

**Totton & Eling Town Council**

**Statements of Accounts**

**For the year ended 31 March 2009**

**Totton & Eling Town Council**

**Table of Contents**

**31 March 2009**

	<b>Page</b>
<b>Table of Contents.....</b>	<b>2</b>
<b>Council Information.....</b>	<b>3</b>
<b>Explanatory Foreword.....</b>	<b>4</b>
<b>Statement of Responsibilities.....</b>	<b>6</b>
<b>Annual Governance Statement.....</b>	<b>7</b>
<b>Auditor's Report to the Council.....</b>	<b>9</b>
<b>Income and Expenditure Account.....</b>	<b>11</b>
<b>Statement of Movement on the General Fund Balance.....</b>	<b>12</b>
<b>Statement of Total Recognised Gains and Losses.....</b>	<b>13</b>
<b>Balance Sheet.....</b>	<b>14</b>
<b>Cash Flow Statement.....</b>	<b>15</b>
<b>Statement of Accounting Policies.....</b>	<b>16</b>
<b>Notes to the Accounts.....</b>	<b>18</b>
1 Interest and Investment Income.....	18
2 Related Party Transactions.....	18
3 Audit Fees.....	19
4 Publicity.....	19
5 S.137 Expenditure.....	19
6 Members' Allowances.....	20
7 Employees.....	20
8 Pension Costs.....	20
9 Reconciling Items for the Statement of Movement on the General Fund Balance.....	21
10 Tangible Fixed Assets.....	22
11 Financing of Capital Expenditure.....	22
12 Information on Assets Held.....	23
13 Debtors.....	23
14 Creditors and Accrued Expenses.....	24
15 Financial Commitments under Operating Leases.....	24
16 Deferred Grants.....	24
17 Summary of Movements on Reserves.....	25
18 Capital Adjustment Account.....	25
19 Capital Receipts Reserve.....	25
20 Earmarked Reserves.....	26
21 Capital Commitments.....	26
22 Contingent Liabilities.....	26
23 Reconciliation of Revenue Cash Flow.....	26
24 Movement in Cash.....	27
25 Reconciliation of Net Funds/Debt.....	27
26 Post Balance Sheet Events.....	27

**Totton & Eling Town Council**

**Council Information**

**31 March 2009**

**( Information current at 25th May 2009 )**

**Chairman**

Cllr T. M. Bushrod

**Councillors**

Cllr D. A. Britton  
Cllr Mrs D. M. Brooks  
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 C. Lagdon  
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 2009**

The council's Statements of Accounts for the year ended 31 March 2009 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 2009, 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 2009**

#### **Budget Comparison for the year ended 31 March 2009**

The following shows a comparison of the budget and out-turn figures for 2008/2009:

	<b>Budget £</b>	<b>Actual £</b>
Net Expenditure		
Cultural & Heritage	76,617	204,882
Recreation & Sport	771,915	1,006,041
Open Spaces	22,200	23,049
Community Safety	-	195
Planning & Development Services (including Markets)	31,150	28,589
Highways Roads (Routine)	34,953	21,952
Other Services to the Public	37,333	33,028
Investment Properties	(26,471)	120,092
Corporate Management	195,332	212,346
Democratic & Civic	112,312	106,745
Interest Income	(70,000)	(60,669)
Net contribution (from)/to reserves and other adjustments	(143,565)	(654,474)
<b>Precept on District Council</b>	<b>1,041,776</b>	<b>1,041,776</b>

The net overspendings on services of £510,909 are reflected in an increased contribution from reserves and capital expenditure provision. Included in this sum is a charge to service expenditure for impairment of Tangible Fixed Assets of £580,384 as required by the SORP.

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

The Town Council during the financial year created the new splash pad children's facility at Eling Recreation Ground (cost £120,000), purchased a new mini bus (cost £27,000) for use by the Garage Youth Centre and other voluntary groups. Additionally it created a pirate ship play area (cost £24,000) at Eling for local children and tourist visiting the Eling Experience.

The major project for the Town was the taking over of the Tide Mill and Toll Bridge at Eling to form a major tourist attraction under the banner of "The Eling Experience."

#### **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 2009**

**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, and
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

**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 2009 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 2009 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 2009, and its income and expenditure for the year ended 31 March 2009.

Signed: .....

Town Clerk

Date: .....

**Totton & Eling Town Council**  
**Annual Governance Statement**  
**31 March 2009**

**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(A) 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 2009 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.
- The Council has an informal and formal complaints procedure for the public and whilst no formal whistle blowing procedure is in place the Council's grievance procedure would permit such matters to be dealt with properly.

**Totton & Eling Town Council**  
**Annual Governance Statement**  
**31 March 2009**

- 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.
- The Council has a firm commitment to risk assessment in all areas of its responsibility and all types of risk. It has demonstrated that proper training of all staff in reducing risk is effective and has created a culture of risk reduction that has proved effective when measured.
- The Council has in place a system of internal audit that is designed to concentrate on the areas of maximum risk as identified by managers with occasional audit low risk areas when necessary. As stated above the system has worked effectively although it is considered that in view of the extended workloads of the Council there may need to be additional hours dedicated to internal audit in future years.

**Review of effectiveness**

Totton and 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 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 report 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 systems 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. The Council yearly identifies through its programming process where it has fully or partially succeeded in its programme and if part of the programme has not been completed why that has occurred. The Council has adopted a system of ensuring programmes can proceed with minimal risk in that projects do not proceed unless all funding is in place so there cannot be losses to the Council. All major works projects are also bonded against companies not being able to complete their legal commitments.

**Approval of Statement**

This statement was approved at a meeting of the council held on 27th May 2009 when authority was given for the Chairman and the Town Clerk to sign.

Signed: .....  
Cllr T. M. Bushrod  
Chairman

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

Date: .....

**Totton & Eling Town Council**

**Auditor's Report to the Council**

**31 March 2009**

We have audited the Statements of Accounts on pages 11 to 27, which have been prepared in accordance with the accounting policies applicable to local councils as set out on pages 16 to 17.

This report is made solely to the members of Totton & Eling Town Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as is set out in paragraph 54 of the Statement & Responsibilities of Auditors and of Audited Bodies, prepared by the Audit Commission. To the fullest extent permitted by law, we do not accept or assume responsibility for anyone other than the council for our audit work, for this report, or for the opinion that we have formed.

**Respective Responsibilities of the Responsible Financial Officer and Auditors**

As described in the Statement of Responsibilities, page 6, the R.F.O. is responsible for the preparation of the Statements of Accounts in accordance with the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2007. Our responsibilities as the independent auditor are established by statute, the Code of Audit Practice issued by the Audit Commission and our profession's ethical guidance.

We report to you our opinion as to whether the Statements of Accounts present fairly the financial position of the council and its Income and Expenditure for the year.

We review whether the Annual Governance Statement, page 7, reflects compliance with the requirements of CIPFA's guidance 'The Statement on Internal Control in Local Government: Meeting the Requirements of the Accounts and Audit Regulations 2003' published on 2 April 2004. We report if it does not meet the requirements specified by CIPFA or if the statement is misleading or inconsistent with other information that we are aware of from our audit of the financial statements. We are not required to consider, nor have we considered, whether the Annual Governance Statement covers all risks and controls. We are also not required to form an opinion on the effectiveness of the council's corporate governance procedures. Our review was not performed for any purpose connected with any specific transaction and should not be relied upon for any such purpose.

We read the other information published with the Statements of Accounts and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Statements of Accounts.

**Basis of Opinion**

We conducted our audit in accordance with the Audit Commission Act 1998 and the Code of Auditing Practice issued by the Audit Commission, which requires compliance with the relevant auditing standards issued by the Auditing Practices Board.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Statements of Accounts. It also includes an assessment of the significant estimates and judgments made by the council in the preparation of the Statements of Accounts and of whether the accounting policies are appropriate to the council's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations that we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the Statements of Accounts are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of the information in the financial statements.

**Totton & Eling Town Council**  
**Auditor's Report to the Council**  
**31 March 2009**

**Opinion**

In our opinion, the Statements of Accounts present fairly the financial position of Totton & Eling Town Council at 31 March 2009 and its Income and Expenditure for the year then ended.

**Certificate**

We certify that we 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.

Signed: .....

Date: .....

For: Audit Commission  
Collins House  
Bishopstoke Road  
Eastleigh  
Hampshire  
SO50 6AD

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

**31 March 2009**

	Notes	2009 £	2009 £	2009 £	2008 £
		Gross Expenditure	Income	Net Expenditure	Net Expenditure
<b>CULTURAL &amp; RELATED SERVICES</b>					
Cultural and Heritage		231,701	(26,819)	204,882	91,720
Recreation and Sport		1,266,210	(260,169)	1,006,041	722,947
Open Spaces		28,647	(5,598)	23,049	22,134
<b>ENVIRONMENTAL SERVICES</b>					
Community Safety		195	-	195	5,335
<b>PLANNING &amp; DEVELOPMENT SERVICES</b>					
Planning Policy		22	-	22	8,015
Economic Development (including markets)		11,930	(4,780)	7,150	2,389
Community Development		21,417	-	21,417	22,547
<b>HIGHWAYS, ROADS &amp; TRANSPORT SERVICES</b>					
Highways/Roads (Routine)		37,126	(15,174)	21,952	19,334
<b>OTHER SERVICES</b>					
Other Services to the Public		51,578	(18,550)	33,028	37,495
Investment Properties		149,607	(29,515)	120,092	(20,562)
<b>CENTRAL SERVICES</b>					
Corporate Management		224,633	(12,287)	212,346	146,108
Democratic Representation and Management		87,907	-	87,907	100,968
Civic Expenses		18,838	-	18,838	17,161
<b>Net Cost of Services</b>		<b>2,129,811</b>	<b>(372,892)</b>	<b>1,756,919</b>	<b>1,175,591</b>
Interest and Investment Income	1			(60,669)	(83,611)
<b>Net Operating Expenditure</b>				<b>1,696,250</b>	<b>1,091,980</b>
Precept on District Council				(1,041,776)	(1,003,720)
<b>Deficit for the Year</b>				<b>654,474</b>	<b>88,260</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 2009**

	Notes	2009 £	2008 £
Deficit for the year on the Income and Expenditure Account		654,474	88,260
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	(670,054)	(59,709)
(Increase)/Decrease in General Fund Balance for the year		(15,580)	28,551
General Fund Balance brought forward		(366,876)	(395,427)
General Fund Balance carried forward		<u>(382,456)</u>	<u>(366,876)</u>

---

*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 2009**

	Notes	2009 £	2008 £
Deficit for the year on the Income and Expenditure Account		654,474	88,260
(Surplus)/Deficit arising on revaluation of fixed assets		(249,680)	-
<b>Total recognised losses for the year</b>		<b>404,794</b>	<b>88,260</b>

---

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

**Totton & Eling Town Council**

**Balance Sheet**

**31 March 2009**

	Notes	2009 £	2009 £	2008 £
<b>Fixed Assets</b>				
Tangible Fixed Assets	10		7,017,890	7,356,623
<b>Current Assets</b>				
Debtors	13	38,791		41,485
Cash at bank and in hand		<u>1,308,657</u>		<u>1,463,871</u>
		1,347,448		1,505,356
<b>Current Liabilities</b>				
Creditors and accrued expenses	14	<u>(77,568)</u>		<u>(79,189)</u>
<b>Net Current Assets</b>			1,269,880	1,426,167
<b>Total Assets Less Current Liabilities</b>				
Deferred Grants	16		8,287,770	8,782,790
			<u>(3,493,685)</u>	<u>(3,583,911)</u>
			<u>4,794,085</u>	<u>5,198,879</u>
<b>Capital and Reserves</b>				
Revaluation Reserve			249,680	-
Capital Adjustment Account	18		3,342,216	3,926,766
Usable Capital Receipts Reserve	19		158,149	242,953
Earmarked Reserves	20		661,584	662,284
General Reserve			<u>382,456</u>	<u>366,876</u>
			<u>4,794,085</u>	<u>5,198,879</u>

These accounts have been approved by the Council.

Signed: .....

Cllr T. M. Bushrod  
Chairman

.....

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

Date: .....

.....

---

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

**Totton & Eling Town Council**

**Cash Flow Statement**

**31 March 2009**

	Notes	2009 £	2009 £	2008 £
<b>REVENUE ACTIVITIES</b>				
<i>Cash outflows</i>				
Paid to and on behalf of employees		(743,109)		(673,229)
Other operating payments		(699,042)		(713,066)
			(1,442,151)	(1,386,295)
<i>Cash inflows</i>				
Precept on District Council		1,041,776		1,003,720
Cash received for services		373,773		337,886
Revenue grants received		6,700		
			1,422,249	1,341,606
<b>Net cash (outflow) from Revenue Activities</b>	23		(19,902)	(44,689)
<b>SERVICING OF FINANCE</b>				
<i>Cash inflows</i>				
Interest received		52,182		85,334
<b>Net cash inflow from Servicing of Finance</b>			52,182	85,334
<b>CAPITAL ACTIVITIES</b>				
<i>Cash outflows</i>				
Purchase of fixed assets		(185,744)		(123,066)
<i>Cash inflows</i>				
Capital grant received		-		142,020
<b>Net cash (outflow)/inflow from Capital Activities</b>			(185,744)	18,954
<b>Net cash (outflow)/inflow before Financing</b>			(153,464)	59,599
<b>FINANCING AND LIQUID RESOURCES</b>				
Loans made			(3,000)	-
Loan repayments received			1,250	893
<b>Net cash (outflow) from financing and liquid resources</b>			(1,750)	893
<b>(Decrease)/Increase in cash</b>	24		<b>(155,214)</b>	<b>60,492</b>

---

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

**Totton & Eling Town Council**  
**Statement of Accounting Policies**  
**31 March 2009**

**Accounting Convention**

These accounts have been prepared under the historical cost convention, as modified by the periodic revaluation of fixed assets.

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 2008 Statement of Recommended Practice on Local Authority Accounting in Great Britain (the 2008 SORP), together with the Best Value Code of Accounting Practice (BVACOP) where applicable.

It is also a requirement of the code that service revenue accounts 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).

Vehicles are depreciated over 5 years at 20% p.a. straight line.

Plant, equipment and furniture are depreciated over 10 years at 10% per annum straight line.

Play equipment is depreciated over 10 years at 10% p.a. straight line.

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 2009**

**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 note 20.

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.

**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 2009**

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

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Interest Income - General Funds	60,669	83,611
	<u>60,669</u>	<u>83,611</u>

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

The council is required to disclose material transactions with related parties – bodies that have the potential to control or influence the council or to be controlled or influenced by the council. Disclosure of these transactions allows readers to assess the extent to which the council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's freedom to bargain with the council at arms length.

Related parties include:

##### **Central Government**

The council's operations are controlled by statutes passed by Central Government. All transactions with Central Government arise as a result of some of those statutes but do not, in the opinion of the council, require to be disclosed here.

##### **Principal Authorities**

The District/Borough Council collects this council's Precept and remits the same to the council under statutory provisions. The Precept is disclosed separately elsewhere in these accounts.

The County Council administers the Pension Fund of which certain of the council's staff are members. Details of amounts payable to the fund are disclosed at note 8.

The council has the following funding arrangements in place with other authorities to secure the continued operation of certain services:

The council received £18,550 from New Forest District Council for providing a local presence on behalf of the District Council.

##### **Members of the council**

Members have direct control over the council's financial and operating policies. During the year no members have undertaken any declarable, material transactions with the council, nor the council with any member. Details of such transactions (if any) are recorded in the Register of Members' Interests, open to public inspection at the council's offices.

Members represent the council on various organisations. Appointments are reviewed annually, unless a specific termination date applies to the term of office. None of these appointments places a Member in a position to exert undue influence or control.

##### **Officers of the Council**

Other than their contracts of employment, no material transactions have been made during the year between the council and any officer.

##### **Other Organisations**

The council awards grants to support a number of voluntary or charitable bodies. It does not attempt to exert control or influence as a result of such grants.

## **Totton & Eling Town Council**

### **Notes to the Accounts**

**31 March 2009**

#### **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>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Fees for statutory audit services	7,169	7,450
Fees for the audit of Best Value Performance	-	497
Fees for Audit of Use of Resources and Value for Money conclusion	3,411	3,266
Total fees	<u>10,580</u>	<u>11,213</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>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Recruitment Advertising	2,353	-
Publicity	5,351	4,036
Town Guide	873	-
Heritage Centre Publicity	405	162
Garage Publicity	1	39
Bowling Green Publicity	84	78
Tide Mill Publicity	-	350
West Totton Centre Publicity	377	439
Calmore Village Hall Publicity	17	-
	<u>9,461</u>	<u>5,104</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 £5.86 (year ended 31 March 2008 - £5.64) 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>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
The total amount of available for this purpose was	<u>131,123</u>	<u>125,721</u>
Expenditure was incurred for the following purposes:		
Grants	2,600	6,397
Grants refunded	(283)	-
	<u>2,317</u>	<u>6,397</u>

## **Totton & Eling Town Council**

### **Notes to the Accounts**

**31 March 2009**

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

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Members of Council have been paid the following allowances for the year:		
Chairman's Allowance	309	225
Councillors' Expenses	-	4
Members' Allowances	18,529	16,932
	<u>18,838</u>	<u>17,161</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>2009</b>	<b>2008</b>
	<b>Number</b>	<b>Number</b>
Full-time	11	11
Part-time	49	49
Temporary	1	-
	<u>61</u>	<u>60</u>

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

The number of officers whose remuneration, excluding pension contributions, was £50,000 or more, in bands of £10,000 were:

Between £60,000 and £70,000	1	-
-----------------------------	---	---

#### **8 Pension Costs**

The council participates in the Hampshire Pension Fund. The Hampshire Pension Fund 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 2009 was £64,515 (31 March 2008 - £59,136).

The most recent actuarial valuation was carried out as at 31st March 2007, and the council's contribution rate is confirmed as being 18.60% of employees' pensionable pay with effect from 1st April 2009 (year ended 31 March 2009 – 18.10%).

Financial Reporting Standard 17 (FRS17): "Retirement Benefits" sets out accounting requirements for pension costs. For schemes such as Hampshire Pension Fund, paragraph 9(b) of FRS17 requires the council to account for pension costs on the basis of contributions actually payable to the scheme during the year.

**Totton & Eling Town Council**

**Notes to the Accounts**

**31 March 2009**

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

	<b>31 March 2009 £</b>	<b>31 March 2009 £</b>	<b>31 March 2008 £</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	(198,971)		(206,285)
Deferred grants released	90,226		73,322
Impairment of Tangible Fixed Assets	(580,384)		-
	<hr/>	(689,129)	<hr/> (132,963)
 <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	104,579		73,254
	<hr/>	104,579	<hr/> (73,254)
 <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>			
Asset Sale Proceeds utilised	(84,804)		-
Net transfer to or from Earmarked Reserves	(700)		-
	<hr/>	(85,504)	<hr/> (-)
 <b>Net additional amount required to be debited/(credited) to the General Fund Balance for the year</b>		<hr/> <b>(670,054)</b>	<hr/> <b>(59,709)</b> <hr/>

**Totton & Eling Town Council**

**Notes to the Accounts**

**31 March 2009**

**10 Tangible Fixed Assets**

	Operational Freehold Land and Buildings	Operational Leasehold Land and Buildings	Vehicles and Equipment	Infra- structure Assets	Community Assets	Non- operational Assets- Investment Properties	Total
<b>Cost</b>	£	£	£	£	£	£	£
At 31 March 2008	3,635,900	2,847,280	845,127	146,713	121,143	475,000	8,071,163
Additions	-	-	70,544	120,398	-	-	190,942
Surplus on revaluation	242,000	-	-	-	-	-	242,000
Impairment Provision	(533,900)	-	-	-	-	(150,000)	(683,900)
	3,344,000	2,847,280	915,671	267,111	121,143	325,000	7,820,205
<b>Depreciation</b>							
At 31 March 2008	(55,598)	(219,340)	(378,606)	(60,996)	-	-	(714,540)
Charged for the year	(55,598)	(56,905)	(59,755)	(26,713)	-	-	(198,971)
Written Back on Revaluation	7,680	-	-	-	-	-	7,680
Eliminated on Impairment	103,516	-	-	-	-	-	103,516
	-	(276,245)	(438,361)	(87,709)	-	-	(802,315)
<b>Net Book Value</b>							
At 31 March 2009	3,344,000	2,571,035	477,310	179,402	121,143	325,000	7,017,890
At 31 March 2008	3,580,302	2,627,940	466,521	85,717	121,143	475,000	7,356,623

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**

**11 Financing of Capital Expenditure**

	2009 £	2008 £
The following capital expenditure during the year:		
Fixed Assets Purchased	190,942	128,911
	190,942	128,911
was financed by:		
Capital Receipts	84,804	-
Capital Grants	86,363	55,657
Precept and Revenue Income	19,775	73,254
	190,942	128,911

**Totton & Eling Town Council**

**Notes to the Accounts**

**31 March 2009**

**12 Information on Assets Held**

Fixed assets owned by the council include the following:

**Operational Land and Buildings**

- Council Offices
- Pavilions - at 2 recreation grounds
- Public Toilets (leased)
- 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
- Fencing, gates and paths
- Splash Pool at Eling Recreation Ground

**Community Assets**

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

**13 Debtors**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Trade Debtors	14,555	16,605
VAT Recoverable	9,663	15,462
Loan Debtors	1,750	-
Revenue Grant Debtors	-	6,700
Prepayments and Accrued Income	3,202	1,584
Accrued Interest Income	9,621	1,134
	<hr/> <hr/>	<hr/> <hr/>
	38,791	41,485

**Totton & Eling Town Council**

**Notes to the Accounts**

**31 March 2009**

**14 Creditors and Accrued Expenses**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Trade Creditors	26,909	29,989
Other Creditors	6,283	12,208
Accruals	22,703	19,348
Income in Advance	7,195	8,364
Capital Creditors	14,478	9,280
	<hr/>	<hr/>
	77,568	79,189
	<hr/>	<hr/>

**15 Financial Commitments under Operating Leases**

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

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Obligations expiring within one year	3,909	2,670
Obligations expiring between two and five years	7,447	10,449
Obligations expiring after five years	-	-
	<hr/>	<hr/>
	11,356	13,119
	<hr/>	<hr/>

**16 Deferred Grants**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Capital Grants Unapplied</b>		
At 01 April 2008	154,055	67,692
Grants received in the year	-	142,020
Applied to finance capital investment	(86,363)	(55,657)
At 31 March 2009	<hr/>	<hr/>
	67,692	154,055
<b>Capital Grants Applied</b>		
At 01 April 2008	3,429,856	3,447,521
Grants Applied in the year	86,363	55,657
Released to offset depreciation	(90,226)	(73,322)
At 31 March 2009	<hr/>	<hr/>
	3,425,993	3,429,856
<b>Revenue Grants and S106 Revenue Contributions</b>		
At 01 April 2008	-	-
Received in the year	-	6,700
Released to Revenue	-	(6,700)
At 31 March 2009	<hr/>	<hr/>
	-	-
<b>Total Deferred Grants</b>		
At 31 March 2009	<hr/>	<hr/>
	3,493,685	3,583,911
At 01 April 2008	<hr/>	<hr/>
	3,583,911	3,515,213

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 2009**

**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 2008</b>	<b>Net Movement in Year</b>	<b>Balance at 31 March 2009</b>
			<b>£</b>	<b>£</b>	<b>£</b>
Asset Revaluation Reserve	Store of losses on revaluation of fixed assets		-	249,680	249,680
Capital Adjustment Account	Store of capital resources set aside to meet past capital expenditure	18	3,926,766	(584,550)	3,342,216
Usable Capital Receipts	Proceeds of fixed assets sales available to meet future capital investment	19	242,953	(84,804)	158,149
Earmarked Reserves	Amounts set aside from revenue to meet general and specific future expenditure	20	662,284	(700)	661,584
General Fund	Resources available to meet future running costs		366,876	15,580	382,456
<b>Total</b>			<b>5,198,879</b>	<b>(404,794)</b>	<b>4,794,085</b>

**18 Capital Adjustment Account (formerly Capital Finance Account)**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Balance at 01 April	3,926,766	3,986,475
Financing capital expenditure in the year		
Additions - using capital receipts	84,804	-
Additions - using revenue balances	19,775	73,254
Impairment provisions	(580,384)	-
Reversal of depreciation	(198,971)	(206,285)
Deferred grants released	90,226	73,322
	<b>3,342,216</b>	<b>3,926,766</b>
Balance at 31 March	<b>3,342,216</b>	<b>3,926,766</b>

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.

**19 Capital Receipts Reserve**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Balance at 01 April	242,953	242,953
Capital used to fund expenditure	(84,804)	-
Balance at 31 March	<b>158,149</b>	<b>242,953</b>

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

## Totton & Eling Town Council

### Notes to the Accounts

31 March 2009

#### **20 Earmarked Reserves**

	<b>Balance at 01/04/2008</b>	<b>Contribution to reserve</b>	<b>Contribution from reserve</b>	<b>Balance at 31/03/2009</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	-	(700)	8,700
<b>Total Earmarked Reserves</b>	<b>662,284</b>	<b>-</b>	<b>(700)</b>	<b>661,584</b>

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.

The Other Earmarked Reserves at 31 March 2009 are set out in detail at Appendix A.

#### **21 Capital Commitments**

The council was committed to the following Capital Expenditure at 31 March 2009

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Completion of Eling Splash Pool	-	105,000
Purchase of Minibus	-	37,000

The council had no capital commitments at 31 March 2009 not otherwise provided for in these accounts.

#### **22 Contingent Liabilities**

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

#### **23 Reconciliation of Revenue Cash Flow**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
(Deficit) for the year	(654,474)	(88,260)
Add/(Deduct)		
Reversal of Depreciation less Deferred Grants Released	108,745	132,963
Provision for impairment of Tangible Fixed Assets	580,384	-
Interest and Investment Income	(52,182)	(85,334)
Decrease/(Increase) in debtors	4,444	(13,533)
(Decrease)/Increase in creditors	(6,819)	9,475
<b>Revenue activities net cash (outflow)/inflow</b>	<b>(19,902)</b>	<b>(44,689)</b>

**Totton & Eling Town Council**

**Notes to the Accounts**

**31 March 2009**

**24 Movement in Cash**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Balances at 01 April</b>		
Cash with accounting officers	2,461	1,200
Cash at bank	1,461,410	1,402,179
Bank overdraft	-	-
	<hr/>	<hr/>
	1,463,871	1,403,379
	<hr/>	<hr/>
<b>Balances at 31 March</b>		
Cash with accounting officers	2,647	2,461
Cash at bank	1,306,010	1,461,410
Bank overdraft	-	-
	<hr/>	<hr/>
	1,308,657	1,463,871
	<hr/>	<hr/>
<b>Net cash (outflow)/inflow</b>	<hr/> <hr/> (155,214)	<hr/> <hr/> 60,492

**25 Reconciliation of Net Funds/Debt**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
(Decrease)/Increase in cash in the year	<hr/> (155,214)	<hr/> 60,492
Cash outflow from repayment of debt	<hr/> -	<hr/> -
<b>Net cash flow arising from changes in debt</b>	<hr/> -	<hr/> -
	<hr/>	<hr/>
Movement in net debt/funds in the year	<hr/> <hr/> (155,214)	<hr/> <hr/> 60,492
	<hr/>	<hr/>
Cash at bank and in hand	1,463,871	1,403,379
Total borrowings	-	-
<b>Net funds at 01 April</b>	<hr/> <hr/> 1,463,871	<hr/> <hr/> 1,403,379
	<hr/>	<hr/>
Cash at bank and in hand	1,308,657	1,463,871
Total borrowings	-	-
<b>Net funds at 31 March</b>	<hr/> <hr/> 1,308,657	<hr/> <hr/> 1,463,871

**26 Post Balance Sheet Events**

There are no significant Post Balance sheet events since the preparation of these accounts, up to the date of their final adoption, which would have a material impact on the amounts and results reported herein.