

**Banbury Town Council**

**Statement of Accounts**

**(Not Subject to Audit)**

**31st March 2011**

# Banbury Town Council

## Index

2011

### Page No(s).

1	Council Information
3	Budget Comparison
4	Statement of Accounting Policies
7	Statement of Responsibilities for the Accounts
8	Income and Expenditure Account
9	Income And Expenditure Account and Annual Return Reconciliation
10	Balance Sheet
11 to 14	Notes to the Accounts
Appendix A	Earmarked Reserves Summary

## **Banbury Town Council**

### **Council Information**

#### **Town Mayor**

Cllr Colin Clarke

#### **Councillors**

Cllr Alyas Ahmed  
Cllr Anne Bonner  
Cllr John Colegrave  
Cllr Margaret Cullip  
Cllr John Donaldson  
Cllr Dave Earle  
Cllr Mike Gregory  
Cllr Nick Harrison  
Cllr Tony Ilott  
Cllr Azmat Khaliq  
Cllr Kieron Mallon  
Cllr Alastair Milne Home  
Cllr Nigel Morris  
Cllr George Parish  
Cllr Chris Smithson  
Cllr Keith Strangwood  
Cllr Patricia Tompson  
Cllr Nicholas Turner  
Cllr Martin Weir  
Cllr Gary Wills  
Cllr Tina Wren

#### **Clerk to the Council and Responsible Financial Officer**

Clerk to the Council - Mark Recchia MA ACIS  
Responsible Financial Officer - Mark Hassall ACMA

#### **Auditors**

BDO Stoy Hayward LLP

## Banbury Town Council

### Introduction to Accounting Statements

#### For the Year Ended 31st March 2011

The Accounting and Audit Regulations governing the production of the councils' accounts were amended on 31st March 2011. Prior to this date the council were obliged to prepare its accounts under the 2008 FRSSE and these accounts were subject to a full code audit.

The new regulations allow the council to adopt the Limited Assurance Audit Regime, the principal advantage being a considerable saving in audit fees and a less arduous audit regime.

The council's statutory accounts are now produced in the form of the Annual Return. The Statements of Accounts which are not subject to audit provides background workings and explanations of the figures declared in the Annual Return

The following items are included:

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

This statement details the legislation and the accounting principles on which the financial statements are prepared.

#### **The Statement of Responsibilities**

This statement identifies the Council's responsibilities and identifies the officer who is responsible for the Council's financial affairs.

#### **The Income and Expenditure Account (Unaudited)**

This document shows the income generated and the total expenditure on the services provided by the Council for the year. This document now includes capital expenditure and the capital element of loan repayments.

#### **The Income and Expenditure Account Reconciliation (Unaudited)**

This document reconciles the figures shown in the Income and Expenditure Account to the Annual Return.

#### **The Balance Sheet (Unaudited)**

This sets out the financial position of the Council on 31 March. It shows the value of its assets, the value of its cash and bank values, how much it is owed and how much it owes and the balance of reserves at its disposal.

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

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

## Budget Comparison for the year ended 31 March 2011

The Council's policy is to estimate the total expenditure for the year, which may contain capital expenditure not financed via the precept. Any such expenditure of this type is included within the actual revenue expenditure for the year.

The budget out-turn is summarised below :

	Net Expenditure	Net Budget	Variance
<b>SERVICES TO THE PUBLIC</b>			
Litter and Dog Bins	(63,162)	(59,101)	(4,061)
Cemeteries	(96,629)	(110,897)	14,268
Open Spaces, Sport and Recreation	(748,548)	(654,246)	(94,302)
Cultural and Heritage	(24,420)	(27,656)	3,236
Bus Shelters and Grit Bins	(20,121)	(27,859)	7,738
Capital Costs	(157,835)	(213,500)	55,665
	<b>(1,110,715)</b>	<b>(1,093,259)</b>	<b>(17,456)</b>
<b>DEMOCRATIC, CIVIC AND CENTRAL COSTS</b>			
Civic and Events	(34,844)	(40,529)	5,685
Service Support Costs	(353,196)	(387,844)	34,648
Town Hall	(39,949)	(37,627)	(2,322)
Swimming Pool and Other Grants	(99,686)	(97,500)	(2,186)
Capital Costs	(13,650)	(134,500)	120,850
Interest and Other Income	32,135	20,913	11,222
	<b>(509,190)</b>	<b>(677,087)</b>	<b>167,897</b>
Net surplus/(deficit)	<b>(1,619,905)</b>	<b>(1,770,346)</b>	<b>150,441</b>

It is the Council's policy to provide 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 Council's notice boards.

Further information about the accounts is available from The Town Hall, Bridge Street, Banbury, OX16 5QB. This is part of the Council's policy of providing full information about its affairs.

# Banbury Town Council

## Statement of Accounting Policies

31 March 2011

### **Accounting Convention**

The accounts have been prepared in accordance with the Governance and Accountability for Local Councils – A Practitioners Guide (England).

These accounts have been prepared having regard to the fundamental accounting concepts of: Going Concern, Prudence, Accruals, Relevance, Consistency, Reliability, Comparability, Understandability and Materiality.

The accounts have been prepared under the historical cost convention.

Prior to 1<sup>st</sup> April 2010 the councils accounts were prepared in line with the Financial Reporting Standard for Smaller Entities (FRSSE 2008). The change from the FRSSE has resulted in a review of accounting policies, with changes in respect of the treatment of Fixed Assets.

### **Fixed Assets**

All expenditure on the acquisition, creation or enhancement of fixed assets above the council de-minimus (currently £5,000) is written off to the council's Income and Expenditure Account in the year of acquisition. Expenditure on fixed assets is then included in the Balance Sheet with a corresponding transaction shown in the Capital Financing Reserve to balance the transaction.

Depreciation is provided on all operational buildings (but not land or community assets), as well as other assets. Depreciation is not shown in the council's Income and Expenditure account but is transferred directly to the Capital Financing Reserve.

Fixed Assets are included in the balance sheet at carrying value current on 31st March 2009 together with subsequent acquisitions and enhancements at cost.

### **Depreciation Policy**

Buildings and leasehold land are depreciated over the shorter of 50 years or the anticipated remaining useful lives on a straight line basis.

Leasehold properties over the lifetime of the lease on a straight line basis.

Freehold land is not depreciated.

Heritage Assets are not depreciated.

Vehicles, plant and equipment and furniture over 4 to 10 years on a straight line basis as applicable.

Play equipment over 10 years on a straight line basis.

Community Assets are not depreciated.

### **Disposals**

Where an asset is disposed of at a value above the de-minimus (currently £5,000), the proceeds of the capital receipt within the meaning of the Local Authorities (Capital Financing and Accounting) (England) Regulations 2003, the proceeds are included in the Income and Expenditure Account and carried to the Useable Capital Receipts Reserve.

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

#### **Capital Grants**

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 full amount of the grant has been included in the Income and Expenditure Account to off-set the cost of purchasing the relevant asset.

## **Revenue Grants**

Whether paid on account by instalment or in arrears grants and third party contributions are recognised as income on the date the council receives the payment. Revenue grants are matched in revenue accounts with the service expenditure to which they relate and shown under a separate heading in the Statutory Income and Expenditure Account.

## **Capital Receipts**

Capital receipts arising from the disposal of fixed assets are taken to the Capital Receipts Reserve until such time as they are used to finance new capital expenditure.

## **Investments**

Investments are not included in the balance sheet and realised gains or losses are taken into the Income and Expenditure account as realised.

## **Stocks and Work in Progress**

Stocks where relevant are being constantly replaced and their value is not material to assessing the Council's state of affairs, as a result, stock is written off directly to revenue expenditure.

## **Debtors and Creditors**

The revenue accounts of the Council are maintained on an accruals basis in accordance with the regulations. 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 regular quarterly and other 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.

The council reviews the level of its commercial debtors on a regular basis and provisions are made, as required, where the likelihood of amounts proving ultimately collectable is in doubt.

## **Value Added Tax**

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**

Details of the Council's external borrowings are shown in the notes.

The Council shows external borrowings in its Balance Sheet. However the capital element of loan repayments is included in the Income and Expenditure Account and transferred to the Balance Sheet via the Capital Financing Account.

## **Leases**

The council has no commitments under finance leases. Rentals payable under operating leases are charged to revenue on an accruals basis.

## **Reserves**

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

The Capital Financing Reserve is maintained to manage the accounting processes for tangible fixed assets. It does not represent usable resources for the council:

Capital receipts arising from the disposal of fixed assets are taken to the Useable Capital Receipts Reserve until such time as they are used to finance new capital expenditure.

## **Interest Income**

All interest receipts are credited initially to general funds.

Interest is reallocated to certain reserves based on the level of their fund balance.

**Cost of Support Services**

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

**Pensions**

The pension costs that are charged against precept in the Council's accounts, in respect of its employees, are equal to the contributions paid to the funded pension scheme for those 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 Local Government scheme is accounted for as a defined benefit scheme.



Banbury Town Council

Statement of Responsibilities for the Accounts

31 March 2011

**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 R.F.O.

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

to approve the Annual Return

**The Responsible Financial Officer's Responsibilities**

The R.F.O. is responsible for the preparation of the Council's statement of accounts as contained in *Governance and Accountability for Local Councils (Part 3) - A Practitioners Guide England "The Guide"*, to present a true and fair view of the financial position of the council at 31 March 2011 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 guide.

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 statement of accounts presents a true and fair view of the position of Banbury Town Council at 31 March 2011, and its income and expenditure for the year ended 31 March 2011

Signed:  .....  
Responsible Financial Officer

Date: 28/6/11 .....

Banbury Town Council

Income and Expenditure Account

for the year ended 31 March 2011

	2011 £ Gross Expenditure	2011 £ Income	2011 £ Net Expenditure
<b>SERVICES TO THE PUBLIC</b>			
Litter and Dog Bins	(63,162)	-	(63,162)
Cemeteries	(169,535)	72,906	(96,629)
Open Spaces, Sport and Recreation	(838,714)	90,166	(748,548)
Cultural and Heritage	(40,006)	15,586	(24,420)
Bus Shelters and Grit Bins	(22,621)	2,500	(20,121)
Capital Costs	(214,835)	57,000	(157,835)
<b>DEMOCRATIC, CIVIC AND CENTRAL COSTS</b>			
Civic and Events	(37,843)	2,999	(34,844)
Service Support Costs	(353,196)	-	(353,196)
Town Hall	(56,996)	17,047	(39,949)
Swimming Pool and Other Grants	(99,686)	-	(99,686)
Capital Costs	(13,650)	-	(13,650)
Interest and Other Income	-	32,135	32,135
	<u>(1,910,244)</u>	<u>290,339</u>	<u>(1,619,905)</u>
Precept			1,770,346
<b>Net Surplus/(Deficit)</b>			<u><u>150,441</u></u>
	<b>Balances 1st April 2010</b>	<b>Movement in Year</b>	<b>Balances 31st March 2011</b>
<b>RESERVES</b>			
General Fund	638,180	101,214	739,394
Earmarked Reserves	373,329	49,227	422,556
<b>Total</b>	<u><u>1,011,509</u></u>	<u><u>150,441</u></u>	<u><u>1,161,950</u></u>

Due to a fundamental change in the layout of the accounts no comparative figure for 2010 are included.

**Banbury Town Council**

**Income and Expenditure Account and Annual Return Reconciliation**

**For the Year Ended 31st March 2011**

Annual Return Box Numbers	Income			Expenditure			
	Box 2	Box 3		Box 4	Box 5	Box 6	
	Precept	Other Income	Total	Staff Costs	Loans Repaid	Other Costs	Total
<b>Services to the Public</b>							
Litter and Dog Bins						(63,162)	(63,162)
Cemeteries		72,906	72,906	(15,080)		(154,455)	(169,535)
Open Spaces, Sport and Recreation		90,166	90,166	(151,054)		(687,660)	(838,714)
Cultural and Heritage		15,586	15,586	(614)		(39,392)	(40,006)
Bus Shelters and Grit Bins		2,500	2,500			(22,621)	(22,621)
Capital Costs		57,000	57,000			(214,835)	(214,835)
<b>Democratic, Management and Civic</b>							
Civic and Events		2,999	2,999	(1,804)		(36,039)	(37,843)
Service Support Costs				(272,895)		(80,301)	(353,196)
Town Hall		17,047	17,047	(15,672)		(41,324)	(56,996)
Swimming Pool and Other Grants						(99,686)	(99,686)
Capital Costs						(13,650)	(13,650)
Interest and Other Income		32,135	32,135				
Precept	1,770,346		1,770,346				
<b>Totals Carried to Annual Return</b>	1,770,346	290,339	2,060,685	(457,117)		(1,453,127)	(1,910,244)

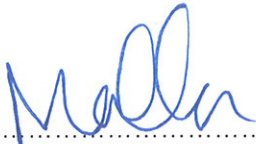
**Banbury Town Council**

**Balance Sheet**

**as at 31 March 2011**

<u>Previous Year</u> £		Box	<u>2011</u> £	<u>2011</u> £
	<b>Fixed Assets</b>			
	Tangible fixed assets	5		
1,189,049	Land and Buildings		1,166,098	
<u>1,110,820</u>	Vehicles and Equipment		<u>1,255,558</u>	
<u>2,299,869</u>				2,421,656
	<b>Current Assets</b>			
74,016	Debtors	8	93,990	
<u>1,749,860</u>	Cash at Bank and In-hand		<u>1,852,518</u>	
<u>1,823,876</u>			<u>1,946,508</u>	
	<b>Current Liabilities</b>			
(231,307)	Creditors and accrued expenses	9	(98,206)	
<u>(581,059)</u>	Commuted Sums received in advance	11	<u>(686,355)</u>	
<u>(812,366)</u>			<u>(784,561)</u>	
<u>1,011,510</u>	<b>Net Current Assets</b>			1,161,947
<u><u>3,311,379</u></u>	<b>Total Assets Less Current Liabilities</b>			<u><u>3,583,603</u></u>
	<b>Financed by:</b>			
	<b>Reserves available to the Council</b>			
373,329	Funds Earmarked for Future Projects	14	422,554	
<u>638,180</u>	General Reserve		<u>739,393</u>	
<u>1,011,509</u>				1,161,947
	<b>Reserves Not Available to Council:</b>			
	<b>Represents the Council's Net Investment in Fixed Assets less Outstanding Loans</b>			
2,299,870	Capital Financing Account	12		2,421,656
<u><u>3,311,379</u></u>				<u><u>3,583,603</u></u>

These accounts have been approved by the Council.

  
 .....  
**Leader of the Council**  
 Date: 28/6/11.....

  
 .....  
**Responsible Financial Officer**  
 Date: 28/6/11.....

**Banbury Town Council**

**Notes to the Accounts**

**31 March 2011**

<b>1 Interest and Investment Income</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Interest Income - General Funds	22,324	70,761
	<u>22,324</u>	<u>70,761</u>

**2 Audit Fees**

Fees payable covering the year 2010/2011 for the services carried out by the Council's auditors, The Audit Commission in the year are a £12,264 (2010 £10,827).

**3 Employees**

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

	<b>2011</b>	<b>2010</b>
	<b>Number</b>	<b>Number</b>
Full-time	11	10
Part-time	10	10
	<u>21</u>	<u>20</u>

All staff are paid within nationally agreed pay scales

Number of employees whose remuneration excluding employers pension contributions was over £50,000 in bands of £10,000 was:

<b>Band</b>	<b>Number of Employees 2010/2011</b>	<b>Number of Employees 2009/2010</b>
£50,000 to £59,999	1	1

**4 Participation in Pension Scheme**

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

The Council participate in the Local Government Pension Scheme for civilian employees, administered locally by Oxfordshire County Council - this is a defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The cost to the Council for the year ended 31 March 2011 was £53,858 (2010 £53,073). There were no outstanding contributions at the balance sheet date.

**Banbury Town Council**

**Notes to the Accounts**

**31 March 2011**

**5 Tangible Fixed Assets**

	Freehold Land and Buildings	Leasehold Buildings	Community Sites	Other Assets	Heritage Assets	Total
<b>Cost</b>	<b>£</b>	<b>£</b>				<b>£</b>
At 31 March 2010	1,067,000	145,000		1,746,808	405,218	3,364,027
Additions	-	-	-	195,763	-	195,763
Disposal	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
	<u>1,067,000</u>	<u>145,000</u>		<u>1,942,571</u>	<u>405,218</u>	<u>3,559,790</u>
<b>Depreciation</b>						
At 31 March 2010	21,340	1,611	-	1,041,206	-	1,064,158
Charged for the year	21,340	1,611	-	51,026	-	73,977
Disposal	-	-	-	-	-	-
	<u>42,680</u>	<u>3,222</u>		<u>1,092,233</u>		<u>1,138,135</u>
<b>Net Book Value</b>						
As 31 March 2011	<u>1,024,320</u>	<u>141,778</u>	-	<u>850,339</u>	<u>405,218</u>	<u>2,421,655</u>
As 31 March 2010	<u>1,045,660</u>	<u>143,389</u>	-	<u>705,602</u>	<u>405,218</u>	<u>2,299,869</u>

Although classified as capital expenditure, certain minor equipment purchases are not included above as they are not material in overall value (subject to a £5k de-minimus).

**6 Financing of Capital Expenditure**

**2011**

**2010**

**£**

**£**

The following capital expenditure during the year:

Fixed Assets purchased	195,763	503,977
	<u>195,763</u>	<u>503,977</u>

was financed by:

Useable Capital Grants	-	318,087
Earmarked Projects Reserve	105,084	-
Precept and Revenue Income	90,679	185,890
	<u>195,763</u>	<u>503,977</u>

**7 Information on Assets Held**

Fixed assets owned by the council include the following:

**Operational Land and Buildings**

- Town Hall Buildings
- Cemetery Buildings
- Sports Grounds and Pavilions

**Vehicles and Equipment**

Town Hall Furniture and Fittings  
 Council Offices Furniture and Fittings  
 Playground Equipment

**Infrastructure Assets**

Bus Shelters  
 Litter and Dog Litter Bins

**Community Assets**

Allotment Sites  
 Cemeteries  
 Play Areas and Open Spaces  
 Spiceball Country Park  
 Recreation grounds  
 Town Signs  
 Civic Regalia  
 Council Artifacts

<b>8</b>	<b>Debtors</b>	<b>2011</b>	<b>2010</b>
		£	£
	Trade Debtors - amounts falling due under one year	8,322	6,638
	Sundry Debtors	10,515	2,337
	Less: Provision for bad and doubtful debts		
		<hr/> 18,837	<hr/> 8,975
	HM Revenue & Customs (VAT recoverable)	75,152	65,039
		<hr/> <hr/> 93,989	<hr/> <hr/> 74,014
<b>9</b>	<b>Creditors and Accrued Expenses</b>	<b>2011</b>	<b>2010</b>
		£	£
	Trade Creditors	(1,182)	(3,358)
	Superannuation Payable		
	Payroll Taxes and Social Security		
	Accruals	(97,026)	(227,949)
	Income in Advance		
		<hr/> (98,208)	<hr/> (231,307)
<b>10</b>	<b>Grants Received</b>	<b>2011</b>	<b>2010</b>
	<b>Capital Grants</b>		
	Capital Grants	-	309,900
		<hr/> -	<hr/> 309,900
<b>11</b>	<b>Commutated Sums</b>	<b>2011</b>	<b>2010</b>
		£	£
	Balance at 1st April	581,058	431,638
	Sums received during the year	167,903	195,925
	Released to off-set revenue costs	(62,607)	(46,505)
		<hr/> 686,355	<hr/> 581,058

**Notes to the Accounts**

**31 March 2011**

12 Capital Financing Reserve	2011	2010
	£	£
Balance as at 1 April	1,972,088	1,466,529
Transfer from Deferred Capital Grants	327,782	-
Financing capital expenditure in the year		
- using capital grants		8,187
- using revenue balances	195,763	185,890
Reversal of depreciation	(73,977)	(82,500)
Fixed asset restatement		(28,368)
Loan Repayment		422,350
	<u>2,421,656</u>	<u>1,972,088</u>

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

13 Useable Capital Receipts	2011	2010
	£	£
Balance at 1st April 2008	-	83,691
Used to Fund Capital projects	-	(83,691)
	<u>-</u>	<u>-</u>

14 Earmarked Reserves	Balance 01.04.2010	Contribution to Reserves	Contribution from Reserve	Balance 31.03.2011
Other Earmarked Reserves	373,329	184,442	135,217	422,554
	<u>373,329</u>	<u>184,442</u>	<u>135,217</u>	<u>422,554</u>

See appendix a: for a full analysis of earmarked reserves



Banbury Town Council

Notes to the Accounts

31st March 2011

Appendix A:

Schedule of Earmarked Reserves

	Balance at 1st April 2010	Contribution to Reserve	Contribution from Reserve	Balance at 31st March 2011
Town Hall	68,502	119,564		188,067
Microphone system	13,487			13,487
Horton View.	8,773			8,773
Salt Bins	5,100		5,100	-
Fine Lady	1,500			1,500
SAPA Statue	4,771			4,771
Canal Day (Sponsorship)	2,277		2,277	-
Southam Rd Cem Wall	3,500			3,500
Memorial Stability Programme	21,352		6,210	15,142
Cemetery Concrete Beams	308			308
Park Refurb	139,000	57,000	98,874	97,126
Bus Shelter	2,882			2,882
Woodgreen Leisure	50,000			50,000
Football Foundation	37,000			37,000
Aboriculture+Plants	7,000	7,878	14,878	-
Aboriculture	7,878	-	7,878	-
	<u>373,329</u>	<u>184,442</u>	<u>135,217</u>	<u>422,556</u>