

Newport Pagnell Town Council

Statements of Accounts

For the year ended 31 March 2008

Newport Pagnell Town Council

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31 March 2008

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Newport Pagnell Town Council

Council Information

31 March 2008

(Information current at 9th June 2008)

Town Mayor

Cllr R. Hornblow

Councillors

Cllr P. Alexander

Cllr S. Baines

Cllr M. Barry

Cllr J. Broatch

Cllr I. Carman

Cllr P. Dunford

Cllr D. Eastman

Cllr W. Egan

Cllr K. Haycock

Cllr E. Henderson

Cllr A. Irwin

Cllr A. Richards

Cllr J. Smith

Cllr N. Warton

Clerk to the Council

Lesley Welch BA (Hons)

Auditors

Audit Commission

Unit 5

Isis Business Centre

Horsepath Road

Cowley

Oxford

OX4 2RD

Internal Auditors

Auditing Solutions Limited

The Offices

Griffin Farm

Bowden Hill

Lacock

Chippenham

Wiltshire

SN15 2PP

Newport Pagnell 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.

Newport Pagnell 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:

	Budget £	Actual £
Net Expenditure		
Recreation & Sport	284,426	243,332
Open Spaces	21,085	16,935
Environmental Health	16,587	21,493
Planning & Development Services (including Markets)	74,390	38,123
Other Services to the Public	11,869	17,381
Corporate Management	57,557	53,880
Democratic & Civic	44,726	39,691
Interest Income	(6,000)	(23,854)
Net contribution (from)/to reserves and other adjustments	<u>(243,527)</u>	<u>(145,868)</u>
Precept on District Council	<u>261,113</u>	<u>261,113</u>

The net underspendings on services of £97,659 are reflected in a reduced contribution to reserves and capital expenditure provision.

Further Information

Further information about the accounts is available from 80 High Street, Newport Pagnell, Buckinghamshire, MK16 8AQ. 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.

Newport Pagnell 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 Responsible Financial Officer, 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 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 Newport Pagnell Town Council at 31 March 2008, and its income and expenditure for the year ended 31 March 2008.

Signed:

Responsible Financial Officer

Date:

Newport Pagnell Town Council

Annual Governance Statement

31 March 2008

Scope of Responsibility

Newport Pagnell 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. In discharging this accountability, councillors and senior officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal. To this end, the Council has adopted this Statement of Corporate Governance.

The Council seeks to ensure that the following principles underpin the operation of the Council in working for the people of Newport Pagnell:

- openness and inclusivity
- accountability
- integrity

The Council in carrying out its business seeks to aspire to the standards and aspirations set out below under the following headings;

- Community Focus
- Service Delivery Arrangements
- Structure and Processes
- Risk Management and Internal Control
- Standards of Conduct

Community Focus

The Council in the exercise of its powers and duties will always seek to:

- work for and with local communities,
- exercise leadership
- undertake an 'ambassadorial' role to promote the wellbeing of their area, where appropriate.

The Council maintains effective arrangements:

- for explicit accountability to stakeholders for the authority's performance and its effectiveness in the delivery of services and the sustainable use of resources
- to demonstrate integrity in the authority's dealings in building effective relationships and partnerships with other public agencies and the private/ voluntary sectors to demonstrate openness in all their dealings
- to demonstrate inclusivity by communicating and engaging with all sections of the community to encourage active participation

Service Delivery Arrangements

The Council strives to achieve continuous improvement in all its services, and agreed policies are implemented and decisions carried out by maintaining arrangements which:

- discharge the Council's accountability for service delivery at a local level
- ensure effectiveness through setting targets and measuring performance
- demonstrate integrity in dealing with service users and developing partnerships to ensure the appropriate provision of services locally
- demonstrate openness and inclusivity through consulting with key stakeholders, including service users
- are flexible so that they can be kept up to date and adapted to accommodate change and meet user wishes.

Newport Pagnell Town Council

Annual Governance Statement

31 March 2008

Structures and Processes

The Council maintains effective democratic and managerial structures and processes to govern decision-making and the exercise of authority within the organisation and will

- define the roles and responsibilities of councillors and officers to ensure accountability, clarity and good ordering of the Council's business
- ensure that there is proper scrutiny and review of all aspects of performance and effectiveness

Risk Management and Internal Control

The Council maintains a systematic strategy, framework and processes for managing risk which will:

- demonstrate integrity by being based on robust systems for identifying, profiling, controlling and monitoring all significant strategic and operational risks
- include mechanisms to ensure that the risk management and control process is monitored for continuing compliance to ensure that changes in circumstances are accommodated and that it remains up to date.

Standards of Conduct

The Council believes that openness, integrity and accountability of individuals within the Council form the cornerstone of effective corporate governance and that the reputation of the Council depends on the standards of behaviour of everyone in it, whether members, employees or agents contracted to it.

The Council will try to ensure that members and senior officers:

- exercise leadership by conducting themselves as role models for others within the authority to follow
- define the standards of personal behaviour that are expected from members and staff and all those involved in service delivery, and put in place arrangements to ensure:
 - accountability, through establishing systems for investigating breaches and disciplinary problems and taking action where appropriate, including arrangements for redress
 - effectiveness in practice through monitoring their compliance
 - that objectivity and impartiality are maintained in all relationships to demonstrate integrity

This Statement of Corporate Governance is consistent with the principles and requirements in the publication *Corporate Governance in Local Government: A Keystone for Community Governance (CIPFA) - 2001*.

Approval of Statement

This statement was approved at a meeting of the council held on 23rd February 2009 when authority was given for the Town Mayor and the Clerk to the Council to sign.

Signed:

Cllr R. Hornblow

Town Mayor

.....

Lesley Welch BA (Hons)

Clerk to the Council

Date:

Newport Pagnell Town Council

Auditor's Report to the Council

31 March 2008

We have audited the Statements of Accounts on pages 11 to 28, 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 Newport Pagnell 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.

Newport Pagnell Town Council

Auditor's Report to the Council

31 March 2008

Opinion

In our opinion, the Statements of Accounts present fairly the financial position of Newport Pagnell Town Council at 31 March 2008 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
Unit 5
Isis Business Centre
Horsepath Road
Cowley
Oxford
OX4 2RD

Newport Pagnell Town Council
Income and Expenditure Account

31 March 2008

	Notes	2008 £	2008 £	2008 £	2007 £
		Gross Expenditure	Income	Net Expenditure	Net Expenditure
CULTURAL & RELATED SERVICES					
Recreation and Sport		969,374	(726,042)	243,332	267,820
Open Spaces		20,322	(3,387)	16,935	17,732
ENVIRONMENTAL SERVICES					
Environmental Health		21,493	-	21,493	20,327
PLANNING & DEVELOPMENT SERVICES					
Planning Policy		7,205	-	7,205	6,541
Economic Development (including markets)		25,880	(3,574)	22,306	78,500
Community Development		8,612	-	8,612	13,600
OTHER SERVICES					
Other Services to the Public		43,619	(26,238)	17,381	39,296
CENTRAL SERVICES					
Corporate Management		53,880	-	53,880	48,853
Democratic Representation and Management		32,678	-	32,678	28,837
Civic Expenses		7,013	-	7,013	7,270
Net Cost of Services		1,190,076	(759,241)	430,835	528,776
Interest payable and similar charges	1			6,187	8,197
Interest and Investment Income	2			(23,854)	(19,179)
Net Operating Expenditure				413,168	517,794
Precept on District Council				(261,113)	(240,572)
Deficit for the Year				152,055	277,222

The notes on pages 18 to 28 form part of these accounts.

Newport Pagnell Town Council
Statement of Movement on the General Fund Balance
31 March 2008

	Notes	2008 £	2007 £
Deficit for the year on the Income and Expenditure Account.		152,055	277,222
Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year.	11	(150,951)	(243,939)
Decrease in General Fund Balance for the Year		1,104	33,283
General Fund Balance brought forward		(114,317)	(147,600)
General Fund Balance carried forward		(113,213)	(114,317)

The notes on pages 18 to 28 form part of these accounts.

Newport Pagnell Town Council
Statement of Total Recognised Gains and Losses
31 March 2008

	Notes	2008 £	2007 £
Deficit for the year on the Income and Expenditure Account.		152,055	277,222
Deficit/(Surplus) arising on revaluation of fixed assets	22	-	(1,070,675)
Total recognised losses/(gains) for the year		152,055	(793,453)

The notes on pages 18 to 28 form part of these accounts.

Newport Pagnell Town Council

Balance Sheet

31 March 2008

	Notes	2008 £	2008 £	2007 £
Fixed Assets				
Tangible Fixed Assets	12		5,013,861	5,482,180
Current Assets				
Debtors	15	11,139		9,192
Cash at bank and in hand		<u>589,661</u>		<u>650,757</u>
		600,800		659,949
Current Liabilities				
Provisions		(10,000)		(20,000)
Current Portion of Long Term Borrowings		(4,888)		(22,269)
Creditors and accrued expenses	16	<u>(106,940)</u>		<u>(185,965)</u>
Net Current Assets			478,972	431,715
Total Assets Less Current Liabilities			5,492,833	5,913,895
Long Term Liabilities				
Long-term borrowing	18		(137,330)	(142,218)
Deferred Grants	20		(1,570)	(1,885)
			<u>5,353,933</u>	<u>5,769,792</u>
Capital and Reserves				
Capital Adjustment Account	23		4,957,428	5,403,163
Usable Capital Receipts Reserve	24		88,691	113,860
Earmarked Reserves	25		194,601	138,452
General Reserve			<u>113,213</u>	<u>114,317</u>
			<u>5,353,933</u>	<u>5,769,792</u>

These accounts have been approved by the Council.

Signed:

Cllr R. Hornblow
Town Mayor

.....

Lesley Mountford BSc (Hons), MAAT
Responsible Financial Officer

Date:

.....

The notes on pages 18 to 28 form part of these accounts.

Newport Pagnell Town Council

Cash Flow Statement

31 March 2008

	Notes	2008 £	2008 £	2007 £
REVENUE ACTIVITIES				
<i>Cash outflows</i>				
Paid to and on behalf of employees		(540,147)		(517,229)
Other operating payments		(495,724)		(392,794)
			(1,035,871)	(910,023)
<i>Cash inflows</i>				
Precept on District Council		261,113		240,572
Cash received for services		764,806		735,592
			1,025,919	976,164
Net cash (outflow)/inflow from Revenue Activities	28		(9,952)	66,141
SERVICING OF FINANCE				
<i>Cash outflows</i>				
Interest paid		(6,894)		(4,076)
<i>Cash inflows</i>				
Interest received		23,854		18,325
Net cash inflow from Servicing of Finance			16,960	14,249
CAPITAL ACTIVITIES				
<i>Cash outflows</i>				
Purchase of fixed assets		(45,835)		(284,436)
<i>Cash inflows</i>				
Net cash (outflow) from Capital Activities			(45,835)	(284,436)
Net cash (outflow) before Financing			(38,827)	(204,046)
FINANCING AND LIQUID RESOURCES				
<i>Cash outflows</i>				
Loan repayments made			(22,269)	(19,670)
<i>Cash inflows</i>				
New loans raised			-	87,355
Net cash (outflow)/inflow from financing and liquid resources			(22,269)	67,685
(Decrease) in cash	29		(61,096)	(136,361)

The notes on pages 18 to 28 form part of these accounts.

Newport Pagnell 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.

investment properties and other non-operational assets are included in the balance sheet at the lower of net current replacement cost and net realisable value

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, plant, equipment and furniture are depreciated over 4 to 10 years at 10-25% per annum straight line

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

Community assets are not depreciated.

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.

Newport Pagnell Town Council
Statement of Accounting Policies
31 March 2008

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

Details of the council's external borrowings are shown at note 18.

Leases

Details of the council's obligations under operating leases are shown at note 17.

Reserves

The council maintains certain reserves to meet general and specific future expenditure. The purpose of the council's reserves is explained in notes 22 to 25

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:

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.

Newport Pagnell Town Council

Notes to the Accounts

31 March 2008

1 Interest Payable and Similar Charges

	2008	2007
	£	£
External Interest Charges - Loans	6,187	8,197
	<u>6,187</u>	<u>8,197</u>

2 Interest and Investment Income

	2008	2007
	£	£
Interest Income - General Funds	20,419	16,652
Interest Income - Earmarked Funds	3,435	2,527
	<u>23,854</u>	<u>19,179</u>

3 Agency Work

During the year the Council undertook no agency work on behalf of other authorities.

During the year the Council commissioned no agency work to be performed by other authorities.

4 Related Party Transactions

The council entered into no material transactions with related parties during the year.

5 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:

	2008	2007
	£	£
Fees for statutory audit services	11,500	3,250
Total fees	<u>11,500</u>	<u>3,250</u>

6 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:

	2008	2007
	£	£
Recruitment Advertising - Middleton Pool	1,692	1,225
Caravan Park Advertising	231	424
Advertising - P R & Economic Dev't	-	1,232
Publicity - Middleton Pool	1,541	2,122
Willen Road S G Advertising	200	-
	<u>3,664</u>	<u>5,003</u>

Newport Pagnell Town Council

Notes to the Accounts

31 March 2008

7 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.

	2008	2007
	£	£
The total amount of available for this purpose was	65,413	62,707
Expenditure was incurred for the following purposes:		
Allotments Competition	394	426
Voluntary Planting - Donation	600	550
Other Donations	502	325
Town Regeneration	12,429	2,000
Anniversary Ball	1,129	1,659
Allotments Competition - Income	(300)	(229)
Anniversary Ball Income	(1,018)	(1,465)
Fund Raising For Charity	(93)	(866)
	<u>13,643</u>	<u>2,400</u>

It should be noted that grants to bodies such as the Citizen's Advice Bureau are made under other specific legal powers and so are not included in the above figures.

8 Members' Allowances

	2008	2007
	£	£
Members of Council have been paid the following allowances for the year:		
Mayors Allowance	1,446	1,390
	<u>1,446</u>	<u>1,390</u>

The council has resolved that, other than the Town Mayor, no members allowances will be paid.

9 Employees

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

	2008	2007
	Number	Number
Full-time	12	14
Part-time	16	14
Temporary	50	30
	<u>78</u>	<u>58</u>

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

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

Newport Pagnell Town Council

Notes to the Accounts

31 March 2008

10 Pension Costs

The council participates in the Buckinghamshire County Council. The Buckinghamshire 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 £46,306 (31 March 2007 - £40,523).

The most recent actuarial valuation was carried out as at 31st March 2007, and the council's contribution rate is confirmed as being 21.20% of employees' pensionable pay with effect from 1st April 2008 (year ended 31 March 2008 – 330.00%).

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

11 Reconciling Items for the Statement of Movement on the General Fund Balance

	31 March 2008	31 March 2008	31 March 2007
	£	£	£
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			
Depreciation Reversal	(235,262)		(241,984)
Deferred grants released	315		315
	<hr/>	(234,947)	<hr/> (241,669)
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			
Loans fund principal repayments	22,269		19,670
Capital expenditure charged in-year to the General Fund Balance	30,747		282,160
	<hr/>	53,016	<hr/> 301,830
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			
Capital Receipts utilised	(25,169)		(273,761)
Net transfer to or from Earmarked Reserves	56,149		(30,339)
	<hr/>	30,980	<hr/> (304,100)
Net additional amount required to be debited/(credited) to the General Fund Balance for the year		<hr/> (150,951)	<hr/> (243,939) <hr/>

Newport Pagnell Town Council

Notes to the Accounts

31 March 2008

12 Tangible Fixed Assets

	Operational Freehold Land and Buildings	Operational Leasehold Land and Buildings	Vehicles and Equipment	Infra- structure Assets	Community Assets	Other	Total
Cost	£	£	£	£	£	£	£
At 31 March 2007	1,118,384	4,541,505	118,893	27,373	5	-	5,806,160
Additions	4,056	-	3,228	2,350	-	21,113	30,747
Impairment	(292,337)	-	-	-	-	-	(292,337)
	830,103	4,541,505	122,121	29,723	5	21,113	5,544,570
Depreciation							
At 31 March 2007	(29,122)	(196,698)	(90,962)	(7,198)	-	-	(323,980)
Charged for the year	(23,189)	(196,698)	(12,403)	(2,972)	-	-	(235,262)
Depreciation on Impairment	28,533	-	-	-	-	-	28,533
	(23,778)	(393,396)	(103,365)	(10,170)	-	-	(530,709)
Net Book Value							
At 31 March 2008	806,325	4,148,109	18,756	19,553	5	21,113	5,013,861
At 31 March 2007	1,089,262	4,344,807	27,931	20,175	5	-	5,482,180

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 1st April 2002 by external independent valuers, Messrs Wilks, Head & Eve, Chartered Surveyors. 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.

13 Financing of Capital Expenditure

	2008	2007
	£	£
The following capital expenditure during the year:		
Fixed Assets Purchased	30,747	282,160
	<u>30,747</u>	<u>282,160</u>
was financed by:		
Capital Receipts	25,169	273,761
Precept and Revenue Income	5,578	8,399
	<u>30,747</u>	<u>282,160</u>

Newport Pagnell Town Council

Notes to the Accounts

31 March 2008

14 Information on Assets Held

Fixed assets owned by the council include the following:

Operational Land and Buildings

Council Offices
Changing Rooms – at Willen Road recreation ground
Public Toilets
Community Centres – 3
Middleton Pool

Vehicles and Equipment

Sundry grounds maintenance equipment
Sundry office equipment

Infrastructure Assets

Allotments Fencing
Noticeboards

Community Assets

Allotments – 5 Sites
Recreation grounds and playing fields
Council Artefacts

15 Debtors

	2008	2007
	£	£
Trade Debtors	6,752	5,841
VAT Recoverable	3,034	2,193
Prepayments and Accrued Income	499	304
Accrued Interest Income	854	854
	<hr/> 11,139	<hr/> 9,192
	<hr/> <hr/>	<hr/> <hr/>

16 Creditors and Accrued Expenses

	2008	2007
	£	£
Trade Creditors	8	558
Other Creditors	239	79
Accruals	27,796	97,819
Income in Advance	78,897	72,421
Capital Creditors	-	15,088
	<hr/> 106,940	<hr/> 185,965
	<hr/> <hr/>	<hr/> <hr/>

Newport Pagnell Town Council

Notes to the Accounts

31 March 2008

17 Financial Commitments under Operating Leases

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

	2008	2007
	£	£
Obligations expiring within one year	594	1,346
Obligations expiring between two and five years	-	1,041
Obligations expiring after five years	246	1,444
	<hr/> 840	<hr/> 3,831
	<hr/> <hr/>	<hr/> <hr/>

18 Long Term Liabilities

	2008	2007
	£	£
Public Works Loan Board	142,218	164,487
	<hr/> 142,218	<hr/> 164,487

The above loans are repayable as follows:

	2008	2007
	£	£
Within one year	4,888	22,269
From one to two years	5,125	4,888
From two to five years	16,919	16,135
From five to ten years	34,147	32,564
Over ten years	81,139	88,631
	<hr/>	<hr/>
Total Loan Commitment	142,218	164,487
Less: Repayable within one year	(4,888)	(22,269)
	<hr/> 137,330	<hr/> 142,218
	<hr/> <hr/>	<hr/> <hr/>

Newport Pagnell Town Council

Notes to the Accounts

31 March 2008

19 Financial Instruments

PWLB long term borrowings by reference to the 'premature repayment' set of rates in force at 31st March 2008 as calculated by the Public Works Loan Board.

Creditors and Debtors and other receivables are taken to be the invoiced or billed amount.

The Fair Value calculated on liabilities is as follows:

	31st March 2008 Carrying Amount £	Fair Value £
Creditors and Accrued Expenditure	106,940	106,940
Commuted Sums Received in Advance	1,570	1,570
Public Loan Board	142,218	150,754

The council has limited exposure to a variety of financial risks. These Include:

Credit Risk – the possibility that third parties might fail to pay amounts due to the authority;

Liquidity Risk – the possibility that the authority might not have funds available to meet its commitments;

Market Risk – the possibility income would be effected by a change in interest rates.

Credit Risks Arising from Financial Instruments

Credit risk arises from deposits with banks and financial instruments, as well as credit exposures with the council's customers. It is the council's policy that deposits are only made with banks who have the highest credit score. Income from business activities including pitch hires, commercial lettings, cemetery, allotments and leisure operations represent approximately 56.6% of the council's income.

The following summarises the council's potential maximum exposure to credit risk:

	31st March 2008 Carrying Amount £	Fair Value £	Historical experience of Default
Deposits with Banks	589,661	589,661	0%
Due from Customers	6,752	6,752	0%
Other Receivables	4,387	4,387	0%

Liquidity Risk: The council has access to borrowings from the Public Works Loan Board following approval by the Secretary of State. The maturity of long term financial liabilities is analysed in Note 18. All other creditors are payable within one year.

Market Risk: The council's loans are fixed rates and therefore not affected by interest rate movements.

Price Risk: The council does not invest in equity shares.

Newport Pagnell Town Council

Notes to the Accounts

31 March 2008

20 Deferred Grants

	2008	2007
	£	£
Capital Grants Unapplied		
At 01 April 2007	-	-
Grants received in the year	-	-
Applied to finance capital investment	-	-
At 31 March 2008	-	-
Capital Grants Applied		
At 01 April 2007	1,885	2,200
Grants Applied in the year	-	-
Released to offset depreciation	(315)	(315)
At 31 March 2008	1,570	1,885
Total Deferred Grants		
At 31 March 2008	1,570	1,885
At 01 April 2007	1,885	2,200

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.

21 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.

Reserve	Purpose of Reserve	Notes	Balance at 01 April 2007	Net Movement in Year	Balance at 31 March 2008
			£	£	£
Capital Adjustment Account	Store of capital resources set aside to meet past capital expenditure	23	5,403,163	(445,735)	4,957,428
Usable Capital Receipts	Proceeds of fixed assets sales available to meet future capital investment	24	113,860	(25,169)	88,691
Earmarked Reserves	Amounts set aside from revenue to meet general and specific future expenditure	25	138,452	56,149	194,601
General Fund	Resources available to meet future running costs		114,317	(1,104)	113,213
Total			5,769,792	(415,859)	5,353,933

Newport Pagnell Town Council

Notes to the Accounts

31 March 2008

22 Fixed Asset Restatement Account

	2008	2007
	£	£
Balance at 01 April	-	4,248,889
Revaluation of assets during the year	-	1,070,675
Balance transferred to CFA	-	(5,319,564)
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 31st 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.

23 Capital Adjustment Account

	2008	2007
	£	£
Balance at 01 April	5,403,163	23,438
Financing capital expenditure in the year		
Additions - using capital receipts	25,169	273,761
Additions - using revenue balances	5,578	8,399
Loan repayments	22,269	19,670
Impairment provisions	(263,804)	-
Reversal of depreciation	(235,262)	(241,984)
Deferred grants released	315	315
	4,957,428	83,599
Balance transferred from FARA	-	5,319,564
Balance at 31 March	4,957,428	5,403,163

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.

24 Capital Receipts Reserve

	2008	2007
	£	£
Balance at 01 April	113,860	387,621
Capital used to fund expenditure	(25,169)	(273,761)
Balance at 31 March	88,691	113,860

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

Newport Pagnell Town Council

Notes to the Accounts

31 March 2008

25 Earmarked Reserves

	Balance at 01/04/2007	Contribution to reserve	Contribution from reserve	Balance at 31/03/2008
	£	£	£	£
Capital Projects Reserves	-	-	-	-
Asset Renewal Reserves	-	-	-	-
Other Earmarked Reserves	138,452	122,713	(66,564)	194,601
Total Earmarked Reserves	138,452	122,713	(66,564)	194,601

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 2008 are set out in detail at Appendix A.

26 Capital Commitments

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

27 Contingent Liabilities

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

28 Reconciliation of Revenue Cash Flow

	2008	2007
	£	£
(Deficit) for the year	(152,055)	(277,222)
Add/(Deduct)		
FRS17 Costs less Contributions	-	-
Reversal of Depreciation less Deferred Grants Released	234,947	241,669
Interest paid	6,894	4,076
Interest and Investment Income	(23,854)	(18,325)
	-	-
(Increase)/Decrease in debtors	(1,947)	47,335
(Decrease)/Increase in creditors	(73,937)	68,608
Increase in deferred revenue income		
Precept received in advance	-	-
Revenue activities net cash (outflow)/inflow	(9,952)	66,141

Newport Pagnell Town Council

Notes to the Accounts

31 March 2008

29 Movement in Cash

	2008	2007
	£	£
Balances at 01 April		
Cash with accounting officers	129	124
Cash at bank	650,628	786,993
Bank overdraft	-	-
	<u>650,757</u>	<u>787,117</u>
Balances at 31 March		
Cash with accounting officers	173	129
Cash at bank	589,488	650,628
Bank overdraft	-	-
	<u>589,661</u>	<u>650,757</u>
Net cash (outflow)	<u>(61,096)</u>	<u>(136,360)</u>

30 Reconciliation of Net Funds/Debt

	2008	2007
	£	£
(Decrease) in cash in the year	<u>(61,096)</u>	<u>(136,360)</u>
Cash inflow from new borrowings	-	(87,355)
Cash outflow from repayment of debt	<u>22,269</u>	<u>19,670</u>
Net cash flow arising from changes in debt	<u>22,269</u>	<u>(67,685)</u>
Movement in net debt in the year	<u>(38,827)</u>	<u>(204,045)</u>
Cash at bank and in hand	650,757	787,117
Total borrowings	<u>(164,487)</u>	<u>(96,802)</u>
Net funds at 01 April	<u>486,270</u>	<u>690,315</u>
Cash at bank and in hand	589,661	650,757
Total borrowings	<u>(142,218)</u>	<u>(164,487)</u>
Net funds at 31 March	<u>447,443</u>	<u>486,270</u>

31 Post Balance Sheet Events

There are no significant Post Balance sheet events.