

Abingdon Town Council

Notes to the Accounts

31 March 2009

History of Experience Gains and Losses	31 March 2009 (£000s)	31 March 2008 (£000s)	31 March 2007 (£000s)	31 March 2006 (£000s)	31 March 2005 (£000s)
Difference between Expected and Actual Return on Assets	(324)	(155)	5	148	47
Value of Assets	797	1,039	1,132	1,062	837
Percentage of Assets	(40.65)%	(14.92)%	0.44 %	13.94 %	5.62 %
Experience Gains/(Losses) Recognised in STMR	29	(52)	(4)	(2)	(2)
Total Present Value of Liabilities	(1,536)	(1,477)	(1,521)	(1,441)	(1,250)
Percentage of the Total Present Value of Liabilities	1.89 %	(3.52)%	(0.26)%	(0.14)%	(0.16)%
Actuarial (Losses)/Gains Recognised in STMR	(295)	(36)	(3)	38	27
Total Present Value of Liabilities	(1,536)	(1,477)	(1,521)	(1,441)	(1,250)
Percentage of the Total Present Value of Liabilities	(19.21)%	(2.44)%	(0.20)%	2.64 %	2.16 %

The following amounts were measured in accordance with requirements of FRS 17:

AMOUNTS REPORTED IN THE COUNCIL'S

INCOME & EXPENDITURE ACCOUNT

Pension Revenue Items during the year

Operating Costs	2009 (£000s)	2008 (£000s)
Current Service Cost	(46)	(57)
Past Service Cost	-	(10)
Total Cost	(46)	(67)
Financing (Cost)		
Expected Return on Assets	73	79
Interest on Pension Liabilities	(100)	(80)
	(27)	(1)

NON-REVENUE MOVEMENTS IN RESERVES

Statement of Actuarial (Losses)

	2009 (£000s)	2008 (£000s)
Asset (Loss)	(324)	(155)
Liability Gain/(Loss)	29	(52)
Change in Assumptions	-	171
Net (Loss)	(295)	(36)

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

	31 March 2009 £	31 March 2009 £	31 March 2008 £
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			
Reversal of Depreciation	(72,936)		(67,306)
Deferred grants released	9,653		9,377
Impairment of Tangible Fixed Assets	-		-
Profit on the disposal of fixed assets	-		(5,063)
Net charges made for retirement benefits in accordance with FRS 17	(73,000)		(68,000)
		(136,283)	(130,992)
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			
Capital expenditure charged in-year to the General Fund Balance	65,629		129,160
Employer's contribution payable to the Oxfordshire County Council	67,000		55,000
Pension Fund and retirement benefits payable direct to pensioners			
		132,629	184,160
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	-		(850)
Net transfer to or from Earmarked Reserves	146,058		(103,405)
		146,058	(104,255)
Net additional amount required to be debited/(credited) to the General Fund Balance for the year		142,404	(51,087)

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12 Tangible Fixed Assets

	Operational Freehold Land and Buildings	Operational Leasehold Land and Buildings	Vehicles and Equipment	Infra- structure Assets	Community Assets	Total
Cost	£	£	£	£	£	£
At 31 March 2008	867,800	24,734	377,882	398,088	5,485	1,673,989
Additions	-	-	65,527	5,616	-	71,143
	867,800	24,734	443,409	403,704	5,485	1,745,132
Depreciation						
At 31 March 2008	(25,840)	(6,396)	(226,450)	(48,740)	-	(307,426)
Charged for the year	(5,820)	(1,237)	(39,290)	(22,589)	-	(68,936)
	(31,660)	(7,633)	(265,740)	(71,329)	-	(376,362)
Net Book Value						
At 31 March 2009	836,140	17,101	177,669	332,375	5,485	1,368,770
At 31 March 2008	841,960	18,338	151,432	349,348	5,485	1,366,563

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 2006 by external independent valuers, Messrs Wilsons Commercial. 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

	2009	2008
	£	£
The following capital expenditure during the year:		
Fixed Assets Purchased	71,143	263,657
	71,143	263,657
was financed by:		
Capital Receipts	-	850
Capital Grants	5,514	134,497
Revenue:		
from Capital Projects Reserve	36,896	167,577
from Equipment Replacement Reserve	-	9,300
Precept and Revenue Income	28,733	305,187
	71,143	263,657

Abingdon Town Council

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14 Information on Assets Held

Fixed assets owned by the council include the following:

Operational Land and Buildings

Old Abbey House (Leasehold)

Cemetery Lodges – 2

Cemetery Chapels – 2

Cemetery garages and sheds

Vehicles and Equipment

Light Vans – 3

Tractor – 1

Sundry grounds maintenance equipment

Sundry office equipment

Play equipment

Infrastructure Assets

Bus shelters – 40

Other street furniture

Community Assets

Old County Hall

Allotments - 3

Recreation grounds and playing fields - 6

Childrens' play areas and open spaces - 6

Council Artefacts

Abingdon County Hall is classified in the accounts as a Community Asset. The building is owned by the town council and used as a museum. However it is a Grade One listed building and is subject to a Guardianship Agreement with English Heritage. This agreement restricts the use of the building and its potential disposal, and places significant restrictions on the alterations and improvements which may be made to the building. The building is therefore classed as a Community Asset and included in the accounts at a nominal value. Its insurance value at 31st March 2009 was £14,217,625 (31st March 2008 - £12,850,000)

15 Stocks

	2009	2008
	£	£
Museums	9,735	7,008
	<hr/> 9,735	<hr/> 7,008

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31 March 2009

16 Debtors

	2009	2008
	£	£
Trade Debtors	60,861	91,251
VAT Recoverable	24,902	19,051
Other Debtors	(519)	2,769
Prepayments and Accrued Income	107,877	60,132
Accrued Income	2,000	41,153
Accrued Interest Income	24,129	45,104
Grant Debtors	35,685	13,584
	<u>254,935</u>	<u>273,044</u>

17 Creditors and Accrued Expenses

	2009	2008
	£	£
Trade Creditors	42,551	100,382
Other Creditors	92	-
Accruals	27,691	109,592
Income in Advance	1,558	410
Capital Creditors	-	9,311
	<u>71,892</u>	<u>219,695</u>

18 Financial Instruments

The council's financial instruments can be categorised as follows:

Financial Liabilities

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

The Fair Value calculated on liabilities is as follows:

	31 st March 2009 Carrying Amount	Fair Value
	£	£
Creditors and Accrued Expenditure	71,892	71,892
Commuted Sums Received in Advance	264,057	264,057

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.

Financial Assets

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 and allotments operations represent approximately 22.9% of the council's income. Therefore any losses arising from these activities are not considered to be a material threat to the councils financial resources.

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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	774,852	774,852	0%
Due from Customers	60,861	60,861	0%
Other Receivables	194,074	194,074	0%

Liquidity Risk: All other creditors are payable within one year.

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

19 Financial Commitments under Operating Leases

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

	2009 £	2008 £
Obligations expiring within one year	-	275
Obligations expiring between two and five years	2,071	-
Obligations expiring after five years	-	-
	<u>2,071</u>	<u>275</u>

20 Deferred Grants

	2009 £	2008 £
Capital Grants Unapplied		
At 01 April 2008	54,350	85,250
Grants received in the year	41,199	103,597
Applied to finance capital investment	(5,514)	(134,497)
At 31 March 2009	<u>90,035</u>	<u>54,350</u>
Capital Grants Applied		
At 01 April 2008	178,161	53,041
Grants Applied in the year	5,514	134,497
Released to offset depreciation	(9,653)	(9,377)
At 31 March 2009	<u>174,022</u>	<u>178,161</u>
Total Deferred Grants		
At 31 March 2009	<u>264,057</u>	<u>232,511</u>
At 01 April 2008	<u>232,511</u>	<u>138,291</u>

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.

Abingdon Town Council

Notes to the Accounts

31 March 2009

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 2008 £	Net Movement in Year £	Balance at 31 March 2009 £
Capital Adjustment Account	Store of capital resources set aside to meet past capital expenditure	22	1,192,401	2,346	1,194,747
Usable Capital Receipts	Proceeds of fixed assets sales available to meet future capital investment	23	244,266	-	244,266
Earmarked Reserves	Amounts set aside from revenue to meet general and specific future expenditure	24	323,259	146,058	469,317
Pensions Reserve	Balancing account to allow inclusion of Pension Liability in the Balance Sheet	10	(438,000)	(301,000)	(739,000)
General Fund	Resources available to meet future running costs		179,971	(15,958)	164,013
Total			1,501,897	(168,554)	1,333,343

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

	2009 £	2008 £
Balance at 01 April	1,192,401	1,127,083
Financing capital expenditure in the year		
Additions - using capital receipts	-	850
Additions - using revenue balances	65,629	128,310
Disposal of fixed assets	-	(29,519)
Depreciation eliminated on disposals	-	23,606
Reversal of depreciation	(72,936)	(67,306)
Deferred grants released	9,653	9,377
	1,194,747	1,192,401
Balance at 31 March	1,194,747	1,192,401

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.

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23 Capital Receipts Reserve

	2009	2008
	£	£
Balance at 01 April	244,266	244,266
Capital receipts during the year	-	850
Capital used to fund expenditure	-	(850)
Balance at 31 March	<u>244,266</u>	<u>244,266</u>

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

24 Earmarked Reserves

	Balance at 01/04/2008	Contribution to reserve	Contribution from reserve	Balance at 31/03/2009
	£	£	£	£
Capital Projects Reserves	293,389	168,500	(36,896)	424,993
Asset Renewal Reserves	21,377	-	-	21,377
Other Earmarked Reserves	8,493	14,454	-	22,947
Total Earmarked Reserves	<u>323,259</u>	<u>182,954</u>	<u>(36,896)</u>	<u>469,317</u>

The Capital Projects Reserves are credited with amounts equivalent to the interest on capital receipts balances, together with other amounts set aside from revenue to part finance specific projects which are part of the council's capital programme.

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.

25 Capital Commitments

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

26 Contingent Liabilities

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

Abingdon Town Council

Notes to the Accounts

31 March 2009

27 Reconciliation of Revenue Cash Flow

	2009	2008
	£	£
Surplus/(Deficit) for the year	126,446	(22,423)
Add/(Deduct)		
FRS17 Costs less Contributions	6,000	13,000
Reversal of Depreciation less Deferred Grants Released	63,283	57,929
Interest and Investment Income	(54,535)	(44,579)
Loss/(Profit) on the disposal of fixed assets	-	5,063
(Increase)/Decrease in stock held	(2,727)	1,207
Decrease/(Increase) in debtors	40,210	(33,772)
(Decrease)/Increase in creditors	(138,492)	109,325
Revenue activities net cash inflow	<u>40,185</u>	<u>85,750</u>

28 Movement in Cash

	2009	2008
	£	£
Balances at 01 April		
Cash with accounting officers	240	240
Cash at bank	741,249	790,472
Bank overdraft	-	-
	<u>741,489</u>	<u>790,712</u>
Balances at 31 March		
Cash with accounting officers	240	240
Cash at bank	774,612	741,249
Bank overdraft	-	-
	<u>774,852</u>	<u>741,489</u>
Net cash inflow/(outflow)	<u>33,363</u>	<u>(49,223)</u>

29 Reconciliation of Net Funds/Debt

	2009	2008
	£	£
Increase/(Decrease) in cash in the year	<u>33,363</u>	<u>(49,223)</u>
Cash outflow from repayment of debt	-	-
Net cash flow arising from changes in debt	-	-
Movement in net funds/debt in the year	<u>33,363</u>	<u>(49,223)</u>
Cash at bank and in hand	741,489	790,712
Total borrowings	-	-
Net funds at 01 April	<u>741,489</u>	<u>790,712</u>
Cash at bank and in hand	774,852	741,489
Total borrowings	-	-
Net funds at 31 March	<u>774,852</u>	<u>741,489</u>

Abingdon Town CouncilNotes to the Accounts31st March 2009Schedule of Earmarked Reserves

	<u>Balance at</u> <u>01/04/2008</u> £	<u>Contribution</u> <u>to reserve</u> £	<u>Contribution</u> <u>from reserve</u> £	<u>Balance at</u> <u>31/03/2009</u> £
<u>Capital Projects Reserves</u>				
Capital Projects Reserve	293,389	168,500	36,896	424,993
	<u>293,389</u>	<u>168,500</u>	<u>36,896</u>	<u>424,993</u>
<u>Asset Replacement Reserves</u>				
Vehicle & Equipment Replacement	21,377			21,377
	<u>21,377</u>	<u>0</u>	<u>0</u>	<u>21,377</u>
<u>Other Earmarked Reserves</u>				
RAF Grave Maintenance Reserve	1,005			1,005
J E F Reserve	7,488	14,454		21,942
	<u>8,493</u>	<u>14,454</u>	<u>0</u>	<u>22,947</u>
TOTAL EARMARKED RESERVES	<u>323,259</u>	<u>182,954</u>	<u>36,896</u>	<u>469,317</u>