



HARPENDEN TOWN COUNCIL

CLOSER TO THE COMMUNITY

STATEMENT OF ACCOUNTS 2017/18 (Not Subject to Audit)

LIST OF CONTENTS	Page
Council Information and Explanatory Forward	1
Statement of Responsibilities	2
Financial Statements:	
Income and Expenditure Account	3
Reconciliation of Income and Expenditure to Annual Governance and Accountability Return	4
Balance Sheet	5
Notes to Financial Statements	6 – 10
Statement of Accounting Policies	11 – 13
Annual Return	Appendix 1

COUNCIL INFORMATION

Council Members for the Financial Year 2017/18

Town Mayor	Rosemary Farmer	East Ward	Conservative
Deputy Town Mayor	David Heritage	South Ward	Conservative
	Georgie Callé	North Ward	Conservative
	Chris Canfield	West Ward	Conservative
	Daniel Chichester-Miles	West Ward	Conservative
	Rod Cooley	South Ward	Conservative
	Brian Ellis	South Ward	Conservative
	Harry Gilham	South Ward	Conservative
	Anne James	East Ward	Independent
	Mrs Pat Kent	North Ward	Conservative
	Mrs Nicola Linacre	West Ward	Conservative
	Pip Martyn	East Ward	Independent
	Mary Maynard	East Ward	Conservative
	Albert Pawle	North Ward	Conservative
	Michael Weaver	West Ward	Conservative
	David Williams	North Ward	Conservative

Town Clerk Carl Cheevers
Responsible Finance Officer Paul Smith

EXPLANATORY FORWARD

The Accounting and Audit Regulations governing the production of the Councils accounts were amended on 31 March 2011. The Council is classed as a 'smaller authority' and its statutory accounts are produced in the form of the Annual Governance and Accountability Return which is subject to a Limited Assurance Audit by PKF Littlejohn LLP, 1 Westferry Circus, London E14 4HD.

This Statement of Accounts, set out on the following pages, are not subject to audit. They provide background information to the figures declared in the Annual Return.

They include:

- an Income and Expenditure Account (Unaudited), presented in a Service Expenditure Analysis format, which summarises the Councils financial performance for the year;
- a Balance Sheet (Unaudited), which sets out the financial position of the Council at 31 March 2018;
- notes to the accounts; and
- a Statement of Accounting Policies.
- a copy of the statutory Annual Governance and Accountability Return is included at Appendix 1.

STATEMENT OF RESPONSIBILITIES

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 has the responsibility for the administration of those affairs. Harpenden Town Councils officer is the Responsible Finance Officer;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- to approve the Annual Governance and Accountability Return.
- to approve the Statement of Accounts.

The Responsible Finance Officer's Responsibilities

The Responsible Finance Officer is responsible for the preparation of the Councils Annual Return in accordance with Governance and Accountability for Smaller Authorities in England to present a true and fair view of the financial position of the Council at 31 March 2018 and its income and expenditure for the year ended.

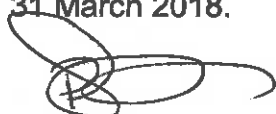
In preparing these financial statements, the Responsible Finance Officer has:-

- * selected suitable accounting policies and then applied them consistently;
- * made judgements and estimates that were reasonable and prudent;
- * complied with generally accepted accounting practice;
- * kept proper accounting records which were up to date;
- * taken reasonable steps for the prevention and detection of fraud and other irregularities.

Responsible Finance Officer's Certificate

I certify that the Statement of Accounts for the year ended 31 March 2018 presents fairly the financial position of Harpenden Town Council, and its income and expenditure for the year ended 31 March 2018.

Signed:



Date: 25 June 2018

Paul Smith
Responsible Finance Officer

RECONCILIATION OF INCOME AND EXPENDITURE ACCOUNT AND ANNUAL GOVERNANCE AND ACCOUNTABILITY RETURN

	INCOME			EXPENDITURE			NET
	Box 2 Precept £	Box 3 Other Income £	Box 4 Staff Costs £	Box 5 Loans Repaid £	Box 6 Other Costs £	Total £	
Communication	-	(11,442)	-	-	18,082	6,640	
Grants	-	-	-	-	11,500	11,500	
Park Hall	-	(55,163)	23,144	-	29,656	(2,363)	
Initiatives and Projects	-	(23,110)	-	-	154,557	131,447	
Town Centre	-	(25,258)	-	-	95,330	70,072	
Public Toilets	-	(9,262)	-	-	10,002	740	
Farmers Market	-	(25,818)	-	-	13,301	(12,517)	
Community Events	-	(12,362)	-	-	28,209	15,847	
Lydekker Car Park	-	(77,305)	-	-	25,495	(51,810)	
Lydekker Park	-	-	-	-	13,543	13,543	
Commons and Greens	-	(69,609)	-	-	134,492	64,883	
Recreation and Play Areas	-	-	-	-	19,365	19,365	
Batford Springs	-	-	-	-	42,123	42,123	
Allotments	-	(5,042)	-	-	28,127	23,085	
Corporate Management	-	-	172,680	-	-	172,680	
Finance Services	-	-	88,233	-	-	88,233	
Business Services	-	-	258,990	-	(275)	258,715	
Corporate Expenses	-	-	-	-	18,818	18,818	
Democratic Representation	-	-	-	-	9,443	9,443	
Central Administration	-	(1,862)	-	-	55,088	53,226	
Town Hall	-	-	3,566	-	52,905	56,471	
Interest Payable	-	-	-	7,321	-	7,321	
Principal Repayments	-	-	-	33,256	-	33,256	
Interest Income	-	(6,417)	-	-	-	(6,417)	
Capital	-	-	-	-	177,555	177,555	
Precept	(1,005,150)	-	-	-	-	(1,005,150)	
Totals to Annual Return	(1,005,150)	(322,650)	546,613	40,577	937,317	196,706	

BALANCE SHEET as at 31 MARCH

2017 £	Note		2018 £
	8-9	Fixed Assets	
779,710		Land and Buildings	919,337
399,452		Vehicles and Plant	363,537
1,260,000		Non-Operational Assets	1,260,000
2,439,162		Total Fixed Assets	2,542,874
		Current Assets	
57,474	10	Debtors and Prepayments	84,267
1,400,000		Short Term Investments	1,050,000
101,203		Cash at Bank	162,241
			1,296,508
3,997,839		Total Assets	3,839,382
		Current Liabilities	
(201,344)	11	Creditors and Receipts in Advance	(135,882)
(33,256)		Current Portion of Long Term Debt	(33,255)
			(169,137)
3,763,239		Total Assets Less Current Liabilities	3,670,245
		Long Term Liabilities	
(73,959)	12	Long Term Borrowing	(40,703)
3,689,280		Total Assets Less Liabilities	3,629,542
		Financed by:	
	13-14	Reserves available to the Council	
734,090		Earmarked Revenue Reserves	635,940
623,243		General Fund	524,687
1,357,333			1,160,627
		Reserves Not Available to Council **	
2,331,947		Capital Financing Account	2,468,915
3,689,280			3,629,542

Note: ** Represents the Council's Net Investment in Fixed Assets less Outstanding Loans

These accounts for the year ended 31 March 2018 were approved by Harpenden Town Council at the Council meeting held on 25 June 2018.



Councillor David Heritage
Town Mayor, Harpenden Town Council



Paul Smith
Responsible Finance Officer

NOTES TO THE FINANCIAL STATEMENTS

1. Income and Expenditure

The Income and Expenditure account reports the gross expenditure and income, on an accruals basis, of all the functions for which the Council is responsible

The net surplus or deficit for the year is added to the Town Councils General Fund Balance or if appropriate retained within earmarked reserves.

A comparison of the budget against actual for 2017/18 is set out below.

	Budget £	Outturn £
Total Budgeted Expenditure	1,005,150	892,859
Approved Additional Spend:		
Projects/New Initiatives	35,800	142,075
Capital Projects	0	166,922
Total Net Spend	1,040,950	1,201,856
Funded by:		
Precept	(1,005,150)	(1,005,150)
Earmarked Reserves	(35,800)	(98,150)
General Reserves	0	(98,556)
Total Income/Funding	(1,040,950)	(1,201,856)

2. Employees

The Council employed an average of 10 full time and 7 part time employees during 2017/18 (9 full time and 7 part time in 2016/17). All staff are paid in accordance with nationally agreed pay scales.

The number of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 was:

Remuneration band	2017/18 No. Employees	2016/17 No. Employees
£50,000 - £54,999	-	-
£55,000 - £59,999	-	-
£60,000 - £64,999	-	-
£65,000 - £69,999	-	1
£70,000 - £74,999	1	-

3. Pension Costs

The amount of pension contributions paid by the Town Council during 2017/18 was £68,020 (£71,690 2016/17). This includes an outstanding contribution at 31 March which has been included in the Balance Sheet within creditors. Harpenden Town Council's contribution rate for 2017/18 was 23.8% (24.8% 2016/17) of pensionable pay.

Employees contribute at a variable rate dependant on their salary.

4. Section 137 Expenditure

Section 137 of the Local Government Act 1972 (as amended) enables the Council to spend up to the product of £7.57 (£7.42 2016/17) 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. The total amount available for this purpose was £169,295 (£170,935 2016/17). Expenditure on grants to local organisations totalled £7,990 (£7,990 2016/17).

5. Statutory Charge for Capital

The Town Council is required under Section 3 of the Local Government Act 2003 to debit the amount equivalent to the instalment of interest and principal that is payable annually to the Income and Expenditure Account. This totalled £40,577 in 2017/18 (£40,667 in 2016/17)

6. Advertising and Publicity

Section 5 of the Local Government Act 1986 requires the Council to disclose expenditure on advertising and publicity. This amounted to £3,794 during 2017/18 (£7,743 in 2016/17).

The Town Council produces a quarterly community magazine, Forum, distributed to all households in the parish. The cost of design, printing and distributing was £16,102 in 2017/18 (£15,813 in 2016/17). A proportion of these costs are recovered through advertising revenue.

7. Members Allowances

Members annual basic allowance is set at £360 which was taken by 8 Members in 2017/18. The Town Mayor received a Chair/Mayoral Allowance of £3,110 in 2017/18 and is not eligible for a basic allowance. Members may receive reimbursement for travel expenses outside the parish for attending approved meetings and seminars.

8. Fixed Assets

	Operational Assets		Non Operational Assets		
	Land and Buildings	Vehicles & Plant	Investment Property	Surplus Land	Total
	£	£	£	£	£
Valuation					
at 01/04/17	892,579	794,345	890,000	370,000	2,946,924
Additions	152,555	25,000			177,555
at 31/03/18	1,045,134	819,345	890,000	370,000	3,124,479
Depreciation					
at 01/04/17	112,869	394,894			507,763
in year charge	12,928	60,914			73,842
at 31/03/18	125,797	455,808	--	--	581,605
Balance Sheet					
at 01/04/17	779,710	399,452	890,000	370,000	2,439,162
Balance Sheet					
at 31/03/18	919,337	363,537	890,000	370,000	2,542,874

9. Information on Assets Held

Operational Assets - Land and Buildings

Town Hall, Park Hall, and Public Toilets in Leyton Road.

Lydekker Park and Car Park.

Batford Springs Headquarters.

Common and land at Batford Springs Nature Reserve/Marquis Lane.

Recreation land at Porters Hill, Westfields and Marquis Lane.

17 Allotments sites managed for the Council by the East Harpenden Gardening Club and the South Harpenden Allotment and Gardens Society.

Operational Assets – Vehicles, Plant and Equipment

Furniture, fixtures, fittings and equipment in the Council Offices and Park Hall.

Farmers Market stalls and covers.

Council vehicles and trailer.

Interpretation boards on the Common.

Children's play equipment at Porters Hill, Westfields and Marquis Lane.

Non-Operational Assets

Those parts of the Common, which are let on lease or licence, including two cottages, and the unused land adjacent to the Westfields Recreation Ground have been included as Non-Operational Assets.

10. Debtors (falling within 1 year)

	31/03/18	31/03/17
	£	£
Sundry Debtors including prepayments	50,245	19,595
Accrued Interest	1,015	708
HMRC - VAT Reclaim	33,007	37,171
	<u>84,267</u>	<u>57,474</u>

11. Creditors and Receipts in Advance

	31/03/18	31/03/17
	£	£
Inland Revenue - Payroll	10,168	9,365
Pension Fund - Payroll	7,212	7,274
Accruals	98,864	157,125
Accrued Interest	2,528	3,655
Receipts in Advance	14,396	20,244
Deposits Held	2,714	3,681
	<u>135,882</u>	<u>201,344</u>

12. Long Term Liabilities

Public Works Loan Board analysis of loans by maturity.

	31/03/18	31/03/17
	£	£
Principal Amounts		
Less than one (Creditor)	36,134	33,256
One to two	37,825	36,134
Two to five	-	37,825
	<u>73,959</u>	<u>107,215</u>

13. Summary of Movements on Reserves

The Council keeps a number of reserves in the Balance Sheet. The movements on the reserves can be summarised as follows:

Reserve	Balance 31 March 2017 £	Movement in Year £	Balance 31 March 2018 £	Purpose of Reserve
Earmarked Reserve (see note 15)	734,090	(98,150)	635,940	Resources available to meet specific spending plans.
General Reserve	623,243	(98,556)	524,687	Resources available to meet future costs of services.
Capital Financing Account	2,331,947	136,968	2,468,915	Store of capital resources set aside to meet past expenditure
Total	3,689,280	59,738	3,629,542	

14. Earmarked Reserves

Earmarked reserves allow monies to be set aside for uncompleted or delayed spending plans on projects or repairs of assets.

	Citee	01 April 2017	Transfers Between Reserves	Amounts used	Transfers to Reserves	Year End 31 March 2018
<u>Projects - One-Off</u>						
New Initiatives	CPF	36,450		15,550		20,900
Armed Forces Day	CSC	1,400	(1,400)			0
Neighbourhood Planning	SP	44,710		44,710		0
Storage Facility	CSC	105,950	5,550			111,500
Maintenance Team Vehicle	CSC	12,000		12,000		0
Westfields	CPF	0				0
Batford Springs HQ	CSC	20,000				20,000
Interpretation/Notice Boards and Signs	CSC	17,000		6,070		10,930
		237,510	4,150	78,330	0	163,330
<u>Sinking / Replacements Funds</u>						
Elections	CPF	4,000			4,000	8,000
Town Twinning Visits	CPF	7,500	(5,500)			2,000
Town/Park Halls Repairs and Maintenance	CSC	21,900		13,260		8,640
Town Hall Lift	CSC	20,000				20,000
Office Equipment	CSC	2,090	5,450			7,540
Town Centre [Fountain, War Memorial, Bus Shelters, Bicycle Stands]	CSC	27,170				27,170
Toilet Refurbishment	CSC	14,420				14,420
Farmers Market Stalls	CSC	13,200			2,500	15,700
Lydekker Park - Repairs and Maintenance	CSC	50,570		12,350		38,220
Car Parks - Resurfacing and Maintenance	CSC	7,600				7,600
Commons and Greens Ponds	CSC	27,890				27,890
Commons and Greens Paths and Concourse	CSC	30,000				30,000
Play Areas and Playgrounds	CSC	37,860			15,000	52,860
Batford Springs Nature Reserve	CSC	15,000	15,000	20,210	8,000	17,790
		279,200	14,950	45,820	29,500	277,830
<u>Outstanding Works</u>						
Management Plan	CSC	72,500	(15,000)	13,000	4,500	49,000
Commons and Greens Contractors	CSC	35,000		800		34,200
Commons and Greens Treework and Specialist Trees	CSC	56,000				56,000
Commons Cricket Club Drive	CSC	1,500				1,500
Town Centre Flowerbeds and Planters	CSC	15,000				15,000
Grants - General	CPF	11,020				11,020
Christmas Events	CSC	1,850	(1,850)			0
Fovant Close	CSC	2,250	(2,250)			0
Retail and Business Support	CPF	0			1,800	1,800
Staff Training	CPF	0			4,000	4,000
Allotments	CSC	22,260				22,260
		217,380	(19,100)	13,800	10,300	194,780
		734,090	0	137,950	39,800	635,940

STATEMENT OF ACCOUNTING POLICIES

General Principles

The Statement of Accounts summarises the Councils transactions for the 2017/18 financial year and its position at the year ended 31 March 2018.

The Town Council prepares an Annual Governance and Accountability Return for review by its External Auditors in line with proper accounting practices for smaller relevant bodies as laid down in the Governance and Accountability for Smaller Authorities in England.

These statements have been prepared having regard to the fundamental accounting concepts of: Going Concern, Prudence, Accruals, Relevance, Consistency, Reliability, Comparability, Understandability and Materiality. They provide additional detail to the information provided in the audited annual return.

The accounting convention adopted is historic cost.

Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not when cash payments are made or received. In particular:

Fees, charges and rents due from customers are accounted for as income at the date the Council provided the relevant goods or services. Supplies are recorded as expenditure when they are received. The exceptions to this rule are payments of insurance premiums and regular periodic accounts (e.g. telephones), which are charged on a consistent basis i.e. at the date of meter readings rather than being apportioned between financial years. This policy is consistently applied each year and therefore does not have a material effect on any one-year's accounts.

Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

Overheads and Support Services

Staffing costs are aggregated centrally and where information is available these have been attributed between direct service costs and democratic, management and civic costs in line with time spent on activities. Office and other overheads are included within other democratic, management and civic costs.

Grants and Contributions (revenue)

Whether paid on account, by instalment or in arrears, grants and third party contributions and donations are recognised as income at the date that the Town Council satisfies the conditions of entitlement to the grant/contribution, there is reasonable assurance that the monies will be received and the expenditure for which the grant is given has been incurred. They are matched in revenue accounts with the service expenditure to which they relate.

Grants and Contributions (capital)

Where grants and contributions are received that are identifiable to fixed assets with a finite useful life, the amounts would be credited to the Income and Expenditure Account to offset the cost of purchasing the asset.

Operating Leases

Rentals paid under leasing agreements have been accrued and accounted for through the revenue accounts in the period to which they relate.

Fixed Assets

Tangible fixed assets are assets that have physical substance and are held for use in the provision of services or for administrative purposes on a continuing basis.

Recognition: Expenditure above the Councils de-minimus level of £5,000 on the acquisition, creation or enhancement of tangible fixed assets is written off to the Town Councils 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 Account, provided that it yields benefits to the Council for more than one financial year.

The use of a de-minimus level of £5,000 for tangible fixed assets, excluding land and property, allows for a consistent approach in recording capital expenditure at a level that is appropriate for the size of the Town Council.

Measurement: Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use.

Tangible Fixed Assets (excluding non operational assets) are held in the Balance Sheet at historic cost as at 31 March 2009, together with subsequent acquisitions and enhancements. Non operational fixed assets have been included in the Balance Sheet at Open Market Value at 31 March 2010. These values have been retained as a substitute for historic cost values. Community Assets for which cost of purchase is not available are recorded at the nominal value of £1. Works in progress are recorded at cost.

Disposals: When an asset is disposed of or decommissioned, the value of the asset in the Balance Sheet is written off to the Capital Financing Account. Receipts from disposals are credited to the Income and Expenditure Account. Amounts in excess of £10,000 and categorised as capital receipts within the meaning of the Local Authorities (Capital Finance and Accounting)(England) Regulations 2003 would be carried to a Usable Capital Receipts reserve which could only be used for new capital investment or set aside to reduce the Council's borrowing requirement.

Depreciation: Depreciation is provided for on all assets with a determinable finite life, except for non operational assets, by allocating the value of the asset in the Balance Sheet over the periods expected to benefit from their use. Depreciation is calculated on the following basis:

Leasehold buildings	over 45 years on a straight line basis
Equipment, Vehicles etc.	between 3 and 20 years on a straight line basis.

Investments and Short Term Investments

Investments are included in the Balance Sheet at historic cost and realised gains or losses would be taken into the Income and Expenditure as realised. The Town Council currently only holds short term fixed rate investments; these will mature during the following financial year and have been included at the lower of cost or net realisable value.

VAT

Income and expenditure excludes any amounts related to VAT, as all VAT collected and paid is accountable to HM Revenues and Customs and all VAT paid is recoverable from it.

Long Term Liabilities

The Town Council has entered into long term borrowing with the Public Works Loan Board to fund the lease acquisition of Park Hall and building of the Town Hall. These are fixed rate loans and the Council's only borrowing. The amount presented in the Balance Sheet is the outstanding principal repayable. Interest charged to the Income and Expenditure Account is the amount payable for the year of the loan agreement.

Loan repayments, both principle and interest are included in the Income and Expenditure Account and transferred to the Balance Sheet with a corresponding entry in the Capital Financing Account.

Reserves

The Council maintains reserves for future policy purposes or to cover contingencies. Earmarked reserves are created by appropriating amounts from the net surplus. When expenditure to be financed from the reserve is incurred, it is charged to the Income and Expenditure Account in that year within the net cost of services. The reserve is then appropriated back into the General Reserve.

The Capital Financing Account is kept to manage the accounting processes for fixed assets and does not represent useable resources for the Council.

Pensions

Employees of the Council are members of the Local Government Pensions Scheme administered by the Local Pensions Partnership (formerly London Pensions Fund Authority) on behalf of Hertfordshire County Council. The scheme provides defined benefits to members (retirement lump sum and pensions), earned as employees working for the Council.

Pension contributions made by the Town Council are charged against the precept in the Income and Expenditure Account. These contributions are determined by the fund's actuary following triennial valuation of the funds assets and liabilities, and are set in accordance with relevant government regulations which require benefits to be fully funded. The latest triennial valuation was completed in March 2017.