



# HARPENDEN TOWN COUNCIL

*CLOSER TO THE COMMUNITY*

## STATEMENT OF ACCOUNTS 2018/19 (Not Subject to Audit)

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## **COUNCIL INFORMATION**

### **Council Members for the Financial Year 2018/19**

<b>Town Mayor</b>	David Heritage	South Ward	Conservative
<b>Deputy Town Mayor</b>	Brian Ellis	South Ward	Conservative
	Georgie Callé	North Ward	Conservative
	Chris Canfield	West Ward	Conservative
	Daniel Chichester-Miles	West Ward	Conservative
	Rod Cooley	South Ward	Conservative
	Rosemary Farmer	East 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 govern the requirements for the production of the Councils accounts. 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, Canary Wharf, 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 Accounting Statements 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 2019;
- notes to the accounts; and
- a Statement of Accounting Policies.

## **STATEMENT OF RESPONSIBILITIES**

### **The Councils 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;

to approve the Annual Governance and Accountability Return;

to approve the Statement of Accounts.

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### **The Responsible Finance Officers Responsibilities**

The Responsible Finance Officer is responsible for the preparation of the Councils Annual Governance and Accountability 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 2019 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 Officers Certificate**

I certify that the Statement of Accounts for the year ended 31 March 2019 presents fairly the financial position of Harpenden Town Council, and its income and expenditure for the year ended 31 March 2019.

Signed:



**Paul Smith**  
Responsible Finance Officer

Date: 24 June 2019

**INCOME AND EXPENDITURE ACCOUNT**

2017/18 £		Gross Expenditure £	2018/19 Gross Income £	Net £
	<b>Direct Services</b>			
6,640	Communication	18,214	(8,152)	10,062
11,500	Grants	13,750	-	13,750
(2,363)	Park Hall	50,017	(54,482)	(4,465)
131,447	Initiatives and Projects	171,486	(41,229)	130,257
70,072	Town Centre	114,364	(40,682)	73,682
740	Public Toilets	10,839	(9,586)	1,253
(12,517)	Farmers Market	14,942	(23,733)	(8,791)
15,847	Community Events	29,620	(21,457)	8,163
(51,810)	Lydekker Car Park	24,961	(76,264)	(51,303)
13,543	Lydekker Park	18,543	-	18,543
64,883	Commons and Greens	115,821	(79,960)	35,861
-	Tree Management	35,748	(2,239)	33,509
19,365	Recreation and Play Areas	24,201	-	24,201
42,123	Batford Springs	28,096	-	28,096
23,085	Allotments	20,378	(4,509)	15,869
	<b>Democratic, Management and Civic Costs</b>			
172,680	Corporate Management	151,818	-	151,818
88,233	Finance Services	68,879	-	68,879
258,715	Business Services	331,020	(1,738)	329,282
18,818	Corporate Expenses	13,313	-	13,313
9,443	Democratic Representation	8,218	-	8,218
53,226	Central Administration	60,490	(1,304)	59,186
56,471	Town Hall	43,201	-	43,201
-	Recharges	1,165	(1,165)	-
<b>990,141</b>	<b>Cost of Services for Year</b>	<b>1,369,084</b>	<b>(366,500)</b>	<b>1,002,584</b>
7,321	Interest Payable			4,345
33,256	Principal Repayments			36,134
(6,417)	Interest Income			(8,532)
177,555	Capital Expenditure			126,000
-	Capital Income			-
<b>1,201,856</b>	<b>Net Expenditure for Year</b>			<b>1,160,531</b>
<b>(1,005,150)</b>	Precept from St Albans District Council			<b>(1,013,700)</b>
<b>196,706</b>	<b>Net (Surplus) / Deficit for year</b>			<b>146,831</b>
98,150	Net transfer (to) / from Earmarked Reserves			147,320
98,556	Remaining (Surplus to) / Use of General Reserve			(489)
<b>196,706</b>				<b>146,831</b>

RECONCILIATION OF INCOME AND EXPENDITURE ACCOUNT AND ACCOUNTING STATEMENTS RETURN

	INCOME			EXPENDITURE			NET
	Box 2	Box 3	Box 4	Box 5	Box 6	Total	
	Precept £	Other Income £	Staff Costs £	Loans Repaid £	Other Costs £		
Communication	-	(8,152)	-	-	18,214	10,062	
Grants	-	-	-	-	13,750	13,750	
Park Hall	-	(54,482)	23,453	-	26,564	(4,465)	
Initiatives and Projects	-	(41,229)	-	-	171,486	130,257	
Town Centre	-	(40,682)	-	-	114,364	73,682	
Public Toilets	-	(9,586)	-	-	10,839	1,253	
Farmers Market	-	(23,733)	-	-	14,942	(8,791)	
Community Events	-	(21,457)	-	-	29,620	8,163	
Lydekker Car Park	-	(76,264)	-	-	24,961	(51,303)	
Lydekker Park	-	-	-	-	18,543	18,543	
Commons and Greens	-	(79,960)	-	-	115,821	35,861	
Tree Management	-	(2,239)	-	-	35,748	33,509	
Recreation and Play Areas	-	-	-	-	24,201	24,201	
Batford Springs	-	-	-	-	28,096	28,096	
Allotments	-	(4,509)	-	-	20,378	15,869	
Corporate Management	-	-	151,818	-	-	151,818	
Finance Services	-	-	68,879	-	-	68,879	
Business Services	-	-	331,020	-	(1,738)	329,282	
Corporate Expenses	-	-	-	-	13,313	13,313	
Democratic Representation	-	-	-	-	8,218	8,218	
Central Administration	-	(1,304)	-	-	60,490	59,186	
Town Hall	-	-	3,760	-	39,441	43,201	
Recharges	-	(1,165)	-	-	1,165	-	
Interest Payable	-	-	-	4,345	-	4,345	
Principal Repayments	-	-	-	36,134	-	36,134	
Interest Income	-	(8,532)	-	-	-	(8,532)	
Capital	-	(29,021)	-	-	155,021	126,000	
Precept	(1,013,700)	-	-	-	-	(1,013,700)	
<b>Accounting Statement Total</b>	<b>(1,013,700)</b>	<b>(402,316)</b>	<b>578,930</b>	<b>40,479</b>	<b>943,438</b>	<b>146,831</b>	

**BALANCE SHEET as at 31 MARCH**

2018 £	Note		2019 £
	8-9	<b>Fixed Assets</b>	
919,337		Land and Buildings	967,258
363,537		Vehicles and Plant	387,749
1,260,000		Non-Operational Assets	1,260,000
<b>2,542,874</b>		<b>Total Fixed Assets</b>	<b>2,615,007</b>
		<b>Current Assets</b>	
84,267	10	Debtors and Prepayments	72,517
1,050,000		Short Term Investments	800,000
162,241		Cash at Bank	203,202
<b>3,839,382</b>		<b>Total Assets</b>	<b>1,075,719</b>
		<b>Current Liabilities</b>	
(135,882)	11	Creditors and Receipts in Advance	(61,924)
(33,255)		Current Portion of Long Term Debt	(36,134)
<b>3,670,245</b>		<b>Total Assets Less Current Liabilities</b>	<b>(98,058)</b>
		<b>Long Term Liabilities</b>	
(40,703)	12	Long Term Borrowing	(1,691)
<b>3,629,542</b>		<b>Total Assets Less Liabilities</b>	<b>3,590,977</b>
		<b>Financed by:</b>	
	13-14	<b>Reserves available to the Council</b>	
635,940		Earmarked Revenue Reserves	488,620
524,687		General Fund	525,175
1,160,627		<b>Reserves Not Available to Council **</b>	<b>1,013,795</b>
2,468,915		Capital Financing Account	2,577,182
<b>3,629,542</b>			<b>3,590,977</b>

*Note: \*\* Represents the Councils Net Investment in Fixed Assets less Outstanding Loans*

These accounts for the year ended 31 March 2019 were approved by Harpenden Town Council at the Council meeting held on 24 June 2019.

  
Councillor Brian Ellis  
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 2018/19 is set out below.

	Budget		Outturn	
	£	£	£	£
Total Expenditure	1,353,620		1,247,810	
Projects and Initiatives	<u>338,530</u>		<u>228,090</u>	
		1,692,150		1,475,900
Less Income:				
Commercial Income	310,680		277,840	
Other Income	<u>29,240</u>		<u>37,530</u>	
		339,920		315,370
<b>Total Net Budget</b>		<u><b>1,352,230</b></u>		<u><b>1,160,530</b></u>
Funded By:				
Precept	1,013,700		1,013,700	
Earmarked Reserves	277,680		147,320	
General Reserves	<u>60,850</u>		<u>(490)</u>	
<b>Total Funding</b>		<u><b>1,352,230</b></u>		<u><b>1,160,530</b></u>

**2. Employees**

The Council employed 11 full time and 6 part time employees during 2018/19 (11 full time and 6 part time in 2017/18). All staff are paid in accordance with nationally agreed pay scales.

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

Remuneration band	2018/19 No. Employees	2017/18 No. Employees
£50,000 - £54,999	-	-
£55,000 - £59,999	-	-
£60,000 - £64,999	-	-
£65,000 - £69,999	-	-
£70,000 - £74,999	1	1

**3. Pension Costs**

The amount of pension contributions paid by the Town Council during 2018/19 was £78,850 (£68,020 2017/18). This includes an outstanding contribution at 31 March which has been included in the Balance Sheet within creditors. Harpenden Town Councils contribution rate for 2018/19 was 23.8% (23.8% 2017/18) 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 £7.86 (£7.57 2017/18) 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 £175,585 (£169,295 2017/18). Expenditure on grants to local organisations totalled £21,450 (£23,625 2017/18).

**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 £40,479 in 2018/19 (£40,577 in 2017/18)

**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 £6,235 during 2018/19 (£3,794 in 2017/18).

The Town Council produces a quarterly community magazine, Forum, distributed to all households in the parish. The cost of design, printing and distributing was £17,490 in 2018/19 (£16,102 in 2017/18). 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 2018/19. The Town Mayor received a Mayoral Allowance of £3,110 in 2018/19 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**

	<b>Operational Assets Land and Buildings £</b>	<b>Vehicles &amp; Plant £</b>	<b>Non Operational Assets Investment Property £</b>	<b>Surplus Land £</b>	<b>Total £</b>
<b>Valuation at 01/04/18</b>	1,045,134	819,345	890,000	370,000	3,124,479
<b>Additions</b>	60,850	94,171			155,021
<b>at 31/03/19</b>	1,105,984	913,516	890,000	370,000	3,279,500
<b>Depreciation at 01/04/18</b>	125,797	455,808			581,605
<b>in year charge</b>	12,928	69,960			82,888
<b>at 31/03/19</b>	138,725	525,768	--	--	664,493
<b>Balance Sheet at 01/04/18</b>	919,337	363,537	890,000	370,000	2,542,874
<b>Balance Sheet at 31/03/19</b>	967,259	387,748	890,000	370,000	2,615,007

**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.

Childrens 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)**

	<b>31/03/19</b>	<b>31/03/18</b>
	£	£
Sundry Debtors including prepayments	25,451	50,245
Accrued Interest	1,249	1,015
HMRC - VAT Reclaim	45,817	33,007
	<u>72,517</u>	<u>84,267</u>

**11. Creditors and Receipts In Advance**

	<b>31/03/19</b>	<b>31/03/18</b>
	£	£
Inland Revenue - Payroll	11,120	10,168
Pension Fund - Payroll	8,446	7,212
Accruals	14,647	98,864
Accrued Interest	1,303	2,528
Receipts in Advance	24,087	14,396
Deposits Held	2,321	2,714
	<u>61,924</u>	<u>135,882</u>

**12. Long Term Liabilities**

Public Works Loan Board analysis of loans by maturity.

	<b>31/03/19</b>	<b>31/03/18</b>
	£	£
<b>Principal Amounts</b>		
Less than one (Creditor)	28,325	36,134
One to two	9,500	37,825
Two to five	-	-
	<u>37,825</u>	<u>73,959</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:

<b>Reserve</b>	<b>Balance 31 March 2018 £</b>	<b>Movement in Year £</b>	<b>Balance 31 March 2019 £</b>	<b>Purpose of Reserve</b>
Earmarked Reserve (see note 15)	635,940	(147,320)	488,620	Resources available to meet specific spending plans.
General Reserve	524,687	488	525,175	Resources available to meet future costs of services.
Capital Financing Account	2,468,915	108,267	2,577,182	Store of capital resources set aside to meet past expenditure
<b>Total</b>	<b>3,629,542</b>	<b>(38,565)</b>	<b>3,590,977</b>	

**Harpenden Town Council Statement of Accounts 2018 – 2019 (Not Subject to Audit)**

**14. Earmarked Reserves**

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

**EARMARKED RESERVES 2018-19**

	Cttee	01 April 2018	Approved Use of Reserves 2018/19	Amounts Used (31.03.19)	Transfers to Reserves (year end)	Year End
<b><u>Projects - One-Off</u></b>						
New Initiatives	CPF	20,900				20,900
Storage Facility	CSC	111,500	100,000		5,000	116,500
Interpretation/Notice Boards and Signs	CSC	10,930				10,930
		<b>143,330</b>	<b>100,000</b>	<b>0</b>	<b>5,000</b>	<b>148,330</b>
<b><u>Sinking / Replacements Funds</u></b>						
Elections	CPF	8,000			5,000	13,000
Town/Park Halls Repairs and Maintenance	CSC	8,640	8,000	7,840		800
Town Hall Lift	CSC	20,000				20,000
Office Equipment	CSC	9,540	7,500	9,540		0
Town Centre [Fountain, War Memorial, Bus Shelters, Bicycle Stands]	CSC	27,170		1,950		25,220
Toilet Refurbishment	CSC	14,420				14,420
Farmers Market Stalls	CSC	15,700	10,100	6,060		9,640
Lydekker Park - Repairs and Maintenance	CSC	38,220				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	CSC	30,000				30,000
Commons and Greens Concourse	CSC	0			2,000	2,000
Play Areas and Playgrounds	CSC	52,860	51,000	50,980	7,920	9,800
Batford Springs Nature Reserve	CSC	37,790	10,520	3,310		34,480
		<b>297,830</b>	<b>87,120</b>	<b>79,680</b>	<b>14,920</b>	<b>233,070</b>
<b><u>Outstanding Works</u></b>						
Management Plan	CSC	48,200	44,560	44,560		3,640
Commons and Greens Contractors	CSC	35,000	35,000	35,000		0
Commons and Greens Treework	CSC	56,000				56,000
Commons Cricket Club Drive	CSC	1,500				1,500
Town Centre Flowerbeds and Planters	CSC	15,000				15,000
Allotments	CSC	22,280	6,000	3,000		19,280
Grants - General	CPF	11,020	5,000	5,000		6,020
Retail and Business Support	CSC	1,800				1,800
Staff Training	CPF	4,000				4,000
		<b>194,780</b>	<b>90,560</b>	<b>87,560</b>	<b>0</b>	<b>107,220</b>
		<b>635,940</b>	<b>277,680</b>	<b>167,240</b>	<b>19,920</b>	<b>488,620</b>
Corporate Policy and Finance	CPF	43,920	5,000	5,000	5,000	43,920
Community Services	CSC	592,020	272,680	162,240	14,920	444,700
		<b>635,940</b>	<b>277,680</b>	<b>167,240</b>	<b>19,920</b>	<b>488,620</b>

## **STATEMENT OF ACCOUNTING POLICIES**

### **General Principles**

The Statement of Accounts summarises the Council's transactions for the 2018/19 financial year and its position at the year ended 31 March 2019.

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 standard accounting concepts and provide additional detail to the information provided in the audited annual governance and accountability 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 defined in line with the management structure, i.e. corporate, finance and business services. Office and other overheads are also aggregated centrally.

### **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.

**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 together with subsequent acquisitions and enhancements. Non operational fixed assets have been included in the Balance Sheet at open market value. Community Assets for which cost of purchase is not available are recorded at the nominal value of £1.

**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 Councils 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.

### **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 Councils 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 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 funds 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.