

**Frome Town Council**

**Financial Statements**

**For the year ended 31 March 2010**

**Frome Town Council**

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**31 March 2010**

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**Frome Town Council**

**Council Information**

**31 March 2010**

( Information current at 23rd June 2010 )

**Mayor**

Cllr Helen Sprawson-White

**Councillors**

Cllr David Oakensen (Deputy Mayor)

Cllr Carole Bullen

Cllr Christine Cockroft

Cllr Maggy Daniell

Cllr Adrian Dobinson

Cllr Andrew Earle

Cllr Felix Fitzpatrick

Cllr Karen Harvey

Cllr Damon Hooton

Cllr Alvin Horsfall

Cllr Claire Hudson

Cllr Elizabeth John

Cllr Peter John

Cllr Pam Lee

Cllr Brian Potter

Cllr Philip Whitmarsh

**Clerk to the Council**

Mrs Susan Wilthew

**Responsible Financial Officer (R.F.O.)**

Paul Wynne

**Auditors**

Moore Stephens

Chartered Accountants

30 Gay Street

Bath

BA1 2PA

**Frome Town Council**  
**Annual Governance Statement**  
**31 March 2010**

**Scope of Responsibility**

Frome 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.

The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

The Council has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. This statement explains how the Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

**The purpose of the governance framework**

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Frome Town Council for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts.

**The governance framework**

The key elements of Frome Town Council's systems and processes that comprise the governance arrangements are:-

- The Council identifies its visions as part of its programme setting process and communicates its intentions and intended outcomes to its citizens and service users via its web site, local news leaflet and press releases.
- The Council measures the quality of service to users by regularly carrying out surveys of users and carrying out comparisons with other suitable authorities. This process was carried out under Best Value and in future will be under the Council's new performance arrangements.
- The definition and documenting of the roles within the authority are as contained within the Council's standing orders and delegation scheme. The Council's disciplinary and grievance procedures cover the staff element and the Council Members are covered by the national code of conduct adopted by the Town Council.
- The Council procedures are updated when required to take account of changes in legislation and the changing needs of the authority. The Policy and Finance Committee acts as the Committee for assuring adherence with financial matters and is the Committee responsible also in regard to matters of complying with all laws and regulations.

**Frome Town Council**  
**Annual Governance Statement**

**31 March 2010**

- The Council has an informal and formal complaints procedure for the public and whilst no formal whistle blowing procedure is in place the Council's grievance procedure would permit such matters to be dealt with properly.
- The Council has clear channels of communication with all sectors including public sessions before its meetings, regular surveys of users and local residents' needs and views and encourages the public to give to the Council their views upon all aspects of the Council services provided.
- The Council has agreed as a fundamental policy partnership working with other local authorities and organisations within the Town where benefit can be shown by such partnership working.

**Review of effectiveness**

Frome Town Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the control exercised by members and the work of the internal auditor and the executive managers within the Council, who have responsibility for the development and maintenance of the governance framework. It is further enhanced by reports and comments made by the external auditors and other review agencies and inspectors.

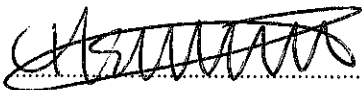
We continue to be advised on the implications of the result of the review of the governance framework by the Council, relevant committees, officers and the internal auditor, and plan to address weaknesses as they arise and thus ensure continuous improvement of the system is in place.


**Significant governance issues**

To date no significant governance issues have been identified. As such issues arise, effective steps will be taken to ensure that matters are addressed, weaknesses eradicated and revised arrangements implemented at the earliest possible opportunity.

**Approval of Statement**

This statement was approved at a meeting of the council held on 23rd June 2010 when authority was given for the Mayor and the Chief Executive to sign.

Signed:   
Cllr Helen Sprawson-White  
Mayor

  
Mrs Susan Wilthew  
Chief Executive

Date: 23/6/10

**Frome Town Council**  
**Statement of Responsibilities**  
**31 March 2010**

**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 Deputy Chief Executive, 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 Financial Statements 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 2010 and its income and expenditure for the year then ended.

In preparing the Financial Statements, 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 Financial Statements for the year ended 31 March 2010 required by the Accounts and Audit Regulations 2003 are set out in the following pages.

I further certify that the Financial Statements present fairly the financial position of Frome Town Council at 31 March 2010, and its income and expenditure for the year ended 31 March 2010.

Signed: Paul Wynne  
Deputy Chief Executive

Date: 23 June 2010

**Frome Town Council**  
**Statement of Accounting Policies**  
**31 March 2010**

**Accounting Convention**

The accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) (FRSSE) issued by the Accounting Standards Board, as applied to Local Councils by part 4 of Governance and Accountability for Local Councils – A Practitioners Guide (England).

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

The accounts have been prepared under the historical cost convention.

**Fixed Assets**

All expenditure on the acquisition, creation or enhancement of fixed assets above the council de-minimis (currently £1000) 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.

Should the council decide to revalue its assets the surplus or deficit arising on such revaluations will be credited or debited to the Revaluation Reserve.

In accordance with Financial Reporting Standard (FRS) 15 depreciation is provided on all operational buildings (but not land), as well as other assets.

Fixed Assets are included in the balance sheet at valuations current on 31<sup>st</sup> March 2009 together with subsequent acquisitions and enhancements.

**Depreciation Policy**

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

Freehold land is not depreciated.

Non Operational Assets (including Investment Properties) are not depreciated

Vehicles, plant, equipment and furniture are depreciated over 5 to 10 years on a straight line basis.

Play Equipment is depreciated over 10 years at 10% straight line.

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

Community assets, other than the Bun Pillars, 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.

**Debtors and Creditors**

The revenue accounts of the council are maintained on an accruals basis in accordance with the regulations. That is sums due to or from the council during the year are included whether or not the cash has actually been received or paid in the year. Exceptions to this are payment of regular quarterly and other accounts (e.g. telephones, electricity). This policy is applied consistently each year. Therefore, it will not have a material effect on the year's accounts or on the council's annual budget.

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

**Value Added Tax**

Income and Expenditure excludes any amounts related to VAT, as all VAT suffered/collected is recoverable from or payable to HM Revenue and Customs. Any amounts not so recoverable are treated as a separate expense.

**Frome Town Council**  
**Statement of Accounting Policies**  
**31 March 2010**

**External Loan Repayments**

Details of the council's external borrowings are shown at note 17.

Details of the council's obligations under operating leases are shown at note 16.

**Reserves**

The council maintains certain reserves to meet general and specific future expenditure. The purpose of the council's reserves is explained in notes 20 to 21

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:

Revaluation Reserves – hold balances representing unrealised gains on the appropriate asset since 1<sup>st</sup> April 2007.

Asset Financing 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 services on an appropriate and consistent basis.

**Pensions**

The pension costs that are charged against precept in the council's accounts, in respect of its employees, are equal to the contributions paid to the funded pension scheme for those employees.

These contributions are determined by the fund's actuary on a triennial basis and are set to meet 100% of the liabilities of the pension fund, in accordance with relevant government regulations.

The next actuarial valuation was due at 31st March 2010 and any change in contribution rates as a result of that valuation will take effect from 1st April 2011.

**Frome Town Council**  
**Income and Expenditure Account**  
**31 March 2010**

	Notes	2010 £	2009 £
<b>Income</b>			
Precept on District Council		776,788	761,557
Grants Receivable		-	-
Rents Receivable, Interest & Investment Income		6,636	19,511
Income from Services		11,103	11,290
Other Income		5,765	6,140
Total Income		800,292	798,498
<b>Expenditure</b>			
<b>Direct Service Costs:</b>			
Salaries & Wages		(135,663)	(174,479)
Grant-aid Expenditure		(118,123)	(110,858)
Other Costs		(181,536)	(179,290)
<b>Democratic, Management &amp; Civic Costs:</b>			
Salaries & Wages		(173,138)	(72,704)
Other Costs		(76,991)	(39,315)
Total Expenditure		(685,451)	(576,646)
<b>Excess of Income over Expenditure for the year.</b>		<b>114,841</b>	<b>221,852</b>
Interest payable and similar charges	1	(27,067)	(28,070)
<b>STATUTORY CHARGES &amp; REVERSALS</b>			
Statutory Charge for Capital (i.e. Loan Capital Repaid)		(18,877)	(17,874)
Capital Expenditure charged to revenue	12	(114,520)	(12,578)
Reversal of annual depreciation and impairment		45,724	39,782
Reversal of grant amortisation		(1,500)	(1,500)
Transfer from/(to) Earmarked Reserves	21	175,536	(166,362)
<b>(Surplus) for the Year</b>		<b>174,137</b>	<b>35,250</b>

The council had no other recognisable gains and/or losses during the year.

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*The notes on pages 13 to 21 form part of these statements.*

**Frome Town Council**

**Statement of Movement in Reserves**

**31 March 2010**

<b>Reserve</b>	<b>Purpose of Reserve</b>	<b>Notes</b>	<b>2010</b>	<b>Net Movement in Year</b>	<b>2009</b>
			<b>£</b>	<b>£</b>	<b>£</b>
Asset Revaluation Reserve	Store of gains on revaluation of fixed assets	19	15,000	-	15,000
Capital Financing Account	Store of capital resources set aside to purchase fixed assets	20	414,914	89,173	325,741
Earmarked Reserves	Amounts set aside from revenue to meet general and specific future expenditure	21	303,410	(175,536)	478,946
General Fund	Resources available to meet future running costs		429,869	174,137	255,732
Total			<u>1,163,193</u>	<u>87,774</u>	<u>1,075,419</u>

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*The notes on pages 13 to 21 form part of these statements.*

**Frome Town Council**

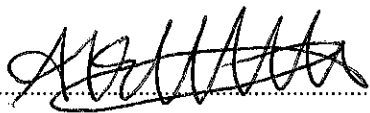
**Balance Sheet**

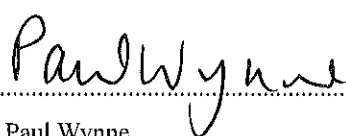
**31 March 2010**

	Notes	2010 £	2010 £	2009 £
<b>Fixed Assets</b>				
Tangible Fixed Assets	11		919,289	850,493
<b>Current Assets</b>				
Debtors	14	8,863		11,111
Cash at bank and in hand		<u>753,178</u>		<u>748,795</u>
		762,041		759,906
<b>Current Liabilities</b>				
Current Portion of Long Term Borrowings		(19,936)		(18,877)
Creditors and accrued expenses	15	<u>(28,762)</u>		<u>(25,229)</u>
<b>Net Current Assets</b>			713,343	715,800
<b>Total Assets Less Current Liabilities</b>			1,632,632	1,566,293
<b>Long Term Liabilities</b>				
Long-term borrowing	17		(460,439)	(480,374)
Deferred Grants	18		(9,000)	(10,500)
			<u>1,163,193</u>	<u>1,075,419</u>
<b>Capital and Reserves</b>				
Revaluation Reserve	19		15,000	15,000
Capital Financing Account	20		414,914	325,741
Earmarked Reserves	21		303,410	478,946
General Reserve			<u>429,869</u>	<u>255,732</u>
			<u>1,163,193</u>	<u>1,075,419</u>

These accounts were approved by the Council on 23rd June 2010 .

Signed: .....

  
Cllr Helen Sprawson-White  
Mayor

  
Paul Wynne

Responsible Financial Officer

Date: .....

23 / 6 / 10 .

23 / 6 / 10 .

*The notes on pages 13 to 21 form part of these statements.*

**Frome Town Council**

**Cash Flow Statement**

**31 March 2010**

	Notes	2010 £	2010 £	2009 £
<b>REVENUE ACTIVITIES</b>				
<i>Cash outflows</i>				
Paid to and on behalf of employees		(299,199)		(247,184)
Other operating payments		<u>(335,683)</u>		<u>(291,393)</u>
			(634,882)	(538,577)
<i>Cash inflows</i>				
Precept on District Council		776,788		761,557
Cash received for services		12,576		13,378
Agency receipts		<u>4,000</u>		<u>4,120</u>
			793,364	779,055
<b>Net cash inflow from Revenue Activities</b>	24		158,482	240,478
<b>SERVICING OF FINANCE</b>				
<i>Cash outflows</i>				
Interest paid		(27,067)		(28,070)
<i>Cash inflows</i>				
Interest received		<u>6,364</u>		<u>19,511</u>
<b>Net cash (outflow) from Servicing of Finance</b>			(20,703)	(8,559)
<b>CAPITAL ACTIVITIES</b>				
<i>Cash outflows</i>				
Purchase of fixed assets		<u>(114,520)</u>		<u>(12,578)</u>
<b>Net cash (outflow) from Capital Activities</b>			(114,520)	(12,578)
<b>Net cash inflow before Financing</b>			23,259	219,341
<b>FINANCING AND LIQUID RESOURCES</b>				
<i>Cash outflows</i>				
Loan repayments made			<u>(18,876)</u>	<u>(17,875)</u>
<b>Net cash (outflow) from financing and liquid resources</b>			(18,876)	(17,875)
<b>Increase in cash</b>	25		<u><u>4,383</u></u>	<u><u>201,466</u></u>

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*The notes on pages 13 to 21 form part of these statements.*

**Frome Town Council**

**Notes to the Accounts**

**31 March 2010**

**1 Interest Payable and Similar Charges**

	2010	2009
	£	£
External Interest Charges - Loans	27,067	28,070
	<u>27,067</u>	<u>28,070</u>

**2 Interest and Investment Income**

	2010	2009
	£	£
Interest Income - General Funds	6,636	19,511
	<u>6,636</u>	<u>19,511</u>

**3 Agency Work**

During the year the Council undertook the following agency work on behalf of other authorities:

<b>Commissioning Authority and Nature of Work</b>		2010	2009
		£	£
Somerset County Council	Town Centre Ring	4,000	4,000
Mendip District Council	Footpath Clearing	-	120
		<u>4,000</u>	<u>4,120</u>

A final claim for reimbursement to 31 March 2010 has been made.

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:

	2010	2009
	£	£
Fees for statutory audit services	2,500	2,500
Fee for extra work dealing with electors' questions	-	2,203
Total fees	<u>2,500</u>	<u>4,703</u>

## Frome Town Council

### Notes to the Accounts

31 March 2010

#### **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:

	2010	2009
	£	£
Recruitment Advertising	701	1,700
Newsletter	1,944	1,002
	<u>2,645</u>	<u>2,702</u>

#### **7 S.137 Expenditure**

Section 137 of the Local Government Act 1972 (as amended) enables the council to spend up to the product of £6.15 (year ended 31 March 2009 - £5.86) 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.

	2010	2009
	£	£
The total amount of available for this purpose was	<u>128,025</u>	<u>117,546</u>
Expenditure was incurred for the following purposes:		
Grants to Community Organisations	11,970	4,650
Grants for Twinning Activities	1,381	3,658
Grants to Support Youth Council	3,000	4,000
Grants to Youth Organisations	4,250	5,000
School Crossing Patrols	5,828	4,296
	<u>26,429</u>	<u>21,604</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**

	2010	2009
	£	£
Members of Council have been paid the following allowances for the year:		
Mayors Allowance	1,075	1,075
Councillors' Allowances	300	350
	<u>1,375</u>	<u>1,425</u>

Other than the Mayor 6 of the total of 16 members claimed allowances to which they were entitled.

#### **9 Employees**

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

	2010	2009
	Number	Number
Full-time	9	9
Part-time	4	4
Temporary	-	-
	<u>13</u>	<u>13</u>

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

No officer received a salary in excess of £50,000

## Frome Town Council

### Notes to the Accounts

**31 March 2010**

#### **10 Pension Costs**

The council participates in the Somerset County Council Pension Fund. The Somerset County Council Pension Fund 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 2010 was £36,793 (31 March 2009 - £22,682).

The most recent actuarial valuation was carried out as at 31st March 2007, and the council's contribution rate is confirmed as being 17.70% of employees' pensionable pay with effect from 1st April 2010 (year ended 31 March 2010 – 17.40%).

Financial Reporting Standard 17 (FRS17): "Retirement Benefits" sets out accounting requirements for pension costs. For schemes such as Somerset 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 Tangible Fixed Assets**

	<b>Operational Freehold Land and Buildings</b>	<b>Operational Leasehold Land and Buildings</b>	<b>Vehicles and Equipment</b>	<b>Infra-structure Assets</b>	<b>Community Assets</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 31 March 2009	501,815	224,784	236,475	30,354	47,085	1,040,513
Additions	49,894	-	59,347	5,279	-	114,520
	551,709	224,784	295,822	35,633	47,085	1,155,033
<b>Depreciation</b>						
At 31 March 2009	(39,184)	(26,976)	(112,559)	(10,501)	(800)	(190,020)
Charged for the year	(11,043)	(4,496)	(26,421)	(3,564)	(200)	(45,724)
	(50,227)	(31,472)	(138,980)	(14,065)	(1,000)	(235,744)
<b>Net Book Value</b>						
At 31 March 2010	501,482	193,312	156,842	21,568	46,085	919,289
At 31 March 2009	462,631	197,808	123,916	19,853	46,285	850,493

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 31st March 2005 by external independent valuers, Messrs Cooper & Tanner, 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.

**Frome Town Council**

**Notes to the Accounts**

**31 March 2010**

**12 Financing of Capital Expenditure**

	2010	2009
	£	£
The following capital expenditure during the year:		
Fixed Assets Purchased	114,520	12,578
	<u>114,520</u>	<u>12,578</u>
was financed by:		
Revenue:		
from Capital Projects Reserve	50,894	37,240
Precept and Revenue Income	<u>63,626</u>	<u>(24,662)</u>
	<u>114,520</u>	<u>12,578</u>

**13 Information on Assets Held**

Fixed assets owned by the council include the following:

**Operational Land and Buildings**

- Council Offices
- Works Depot
- Pavilion and other buildings at Victoria Park
- Cheese & Grain Community Centre (Leasehold)

**Vehicles and Equipment**

- Sundry grounds maintenance equipment
- Sundry office equipment

**Infrastructure Assets**

- Miscellaneous street furniture

**Community Assets**

- Victoria Park and Bandstand
- Rodden Meadow
- Allotments
- War Memorial
- Bunn Pillars - 2
- Council Artefacts & Regalia

**Frome Town Council**

**Notes to the Accounts**

**31 March 2010**

**14 Debtors**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
VAT Recoverable	7,852	10,664
Other Debtors	636	447
Accrued Income	103	-
Accrued Interest Income	272	-
	<u>8,863</u>	<u>11,111</u>

**15 Creditors and Accrued Expenses**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Trade Creditors	22,606	15,529
Accruals	6,156	9,700
	<u>28,762</u>	<u>25,229</u>

**16 Financial Commitments under Operating Leases**

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

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Obligations expiring within one year	13,006	-
Obligations expiring between two and five years	9,741	6,248
Obligations expiring after five years	-	1,742
	<u>22,747</u>	<u>7,990</u>

**17 Long Term Liabilities**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Public Works Loan Board	480,375	499,251
	<u>480,375</u>	<u>499,251</u>

The above loans are repayable as follows:

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Within one year	19,936	18,877
From one to two years	21,055	19,936
From two to five years	70,529	66,779
From five to ten years	146,585	138,780
Over ten years	222,270	254,880
	<u>480,375</u>	<u>499,252</u>
Total Loan Commitment	480,375	499,252
Less: Repayable within one year	(19,936)	(18,877)
	<u>460,439</u>	<u>480,375</u>

**Frome Town Council**

**Notes to the Accounts**

**31 March 2010**

**18 Deferred Grants**

	2010 £	2009 £
<b>Capital Grants Unapplied</b>		
At 01 April 2009	-	-
Grants received in the year	-	-
Applied to finance capital investment	-	-
At 31 March 2010	<u>-</u>	<u>-</u>
<b>Capital Grants Applied</b>		
At 01 April 2009	10,500	12,000
Grants Applied in the year	-	-
Released to offset depreciation	(1,500)	(1,500)
Extinguished and/or transferred	-	-
At 31 March 2010	<u>9,000</u>	<u>10,500</u>
<b>Total Deferred Grants</b>		
At 31 March 2010	9,000	10,500
At 01 April 2009	<u>10,500</u>	<u>12,000</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.

**19 Revaluation Reserve**

	2010 £	2009 £
Balance at 01 April	15,000	15,000
Balance at 31 March	<u>15,000</u>	<u>15,000</u>

The revised system of accounting for local councils requires the establishment of a Revaluation Reserve. The balance on this account represents revaluation of fixed assets since 1<sup>st</sup> April 2007, less subsequent depreciation charged to revenue on such revaluation elements. This account will increase or reduce as and when assets are revalued or disposed of.

**Frome Town Council**

**Notes to the Accounts**

**31 March 2010**

**20 Capital Financing Account  
(formerly Capital Adjustment Account)**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Balance at 01 April	325,741	333,571
Financing capital expenditure in the year		
Additions - using revenue balances	114,520	12,578
Loan repayments	18,877	17,874
Reversal of depreciation	(45,724)	(39,782)
Deferred grants released	1,500	1,500
	<hr/>	<hr/>
	414,914	325,741
	<hr/>	<hr/>
Balance at 31 March	414,914	325,741

The Capital Financing 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.

**21 Earmarked Reserves**

	<b>Balance at 01/04/2009</b>	<b>Contribution to reserve</b>	<b>Contribution from reserve</b>	<b>Balance at 31/03/2010</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Capital Projects Reserves	223,601	-	(50,894)	172,707
Asset Renewal Reserves	-	-	-	-
Other Earmarked Reserves	255,345	50,730	(175,372)	130,703
Total Earmarked Reserves	<hr/>	<hr/>	<hr/>	<hr/>
	478,946	50,730	(226,266)	303,410

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 2010 are set out in detail at Appendix A.

**22 Capital Commitments**

The council had no capital commitments at 31 March 2010 not otherwise provided for in these accounts.

**23 Contingent Liabilities**

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

**Frome Town Council**

**Notes to the Accounts**

**31 March 2010**

**24 Reconciliation of Revenue Cash Flow**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Surplus for the year	114,841	221,852
Add/(Deduct)		
Reversal of Depreciation less Deferred Grants Released	44,224	38,282
Interest and Investment Income	(6,364)	(19,511)
Decrease/(Increase) in debtors	2,248	(6,036)
Increase in creditors	3,533	5,891
Revenue activities net cash inflow	<u>158,482</u>	<u>240,478</u>

**25 Movement in Cash**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Balances at 01 April</b>		
Cash with accounting officers	94	70
Cash at bank	748,701	547,259
Bank overdraft	-	-
	<u>748,795</u>	<u>547,329</u>
<b>Balances at 31 March</b>		
Cash with accounting officers	131	94
Cash at bank	753,047	748,701
Bank overdraft	-	-
	<u>753,178</u>	<u>748,795</u>
<b>Net cash inflow</b>	<u>4,383</u>	<u>201,466</u>

**26 Reconciliation of Net Funds/Debt**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Increase in cash in the year	<u>4,383</u>	<u>201,466</u>
Cash outflow from repayment of debt	<u>18,876</u>	<u>17,875</u>
<b>Net cash flow arising from changes in debt</b>	<u>18,876</u>	<u>17,875</u>
Movement in net funds in the year	<u>23,259</u>	<u>219,341</u>
Cash at bank and in hand	748,795	547,329
Total borrowings	(499,251)	(517,126)
<b>Net funds at 01 April</b>	<u>249,544</u>	<u>30,203</u>
Cash at bank and in hand	753,178	748,795
Total borrowings	(480,375)	(499,251)
<b>Net funds at 31 March</b>	<u>272,803</u>	<u>249,544</u>

**Frome Town Council**

**Notes to the Accounts**

**31 March 2010**

**27 Post Balance Sheet Events**

There are no significant Post Balance sheet events since the preparation of these accounts, up to the date of their final adoption (on 23rd June 2010 ), which would have a material impact on the amounts and results reported herein.

## Frome Town Council

### Appendices

**31 March 2010**

#### Appendix A

##### Schedule of Earmarked Reserves

	<u>Balance at</u> <u>01/04/2009</u>	<u>Contribution</u> <u>to reserve</u>	<u>Contribution</u> <u>from reserve</u>	<u>Balance at</u> <u>31/03/2010</u>
	£	£	£	£
<u>Capital Projects Reserves</u>				
Tennis Courts	1,537			1,537
Coffee Shop	55,038		49,894	5,144
Office Relocation	167,026		1,000	166,026
				0
	<u>223,601</u>	<u>0</u>	<u>50,894</u>	<u>172,707</u>
<u>Other Earmarked Reserves</u>				
Admin/Election/Legal	17,189		3,657	13,532
Commitments	18,479	5,730	18,479	5,730
Vic Park Workshop	31,240		300	30,940
Skatepark	48,038		48,038	0
Bandstand	8,000		8,000	0
Vic Park Equipment Replacement	10,261	5,000		15,261
Rabka Gardens	2,000			2,000
Allotments	8,546		8,546	0
Fleet Street Furniture	10,795		10,795	0
Street Lighting	8,815		8,815	0
PCSO Unit	2,000			2,000
Tree Maintenance	15,247		15,247	0
Play Equipment	11,240			11,240
Public Toilet Refurbishment	40,000		40,000	0
Cheese and Grain Maintenance	13,495		13,495	0
River Enhancement	10,000	40,000		50,000
				0
	<u>255,345</u>	<u>50,730</u>	<u>175,372</u>	<u>130,703</u>
<b>TOTAL EARMARKED RESERVES</b>	<b><u>478,946</u></b>	<b><u>50,730</u></b>	<b><u>226,266</u></b>	<b><u>303,410</u></b>

**Frome Town Council**

**Appendices**

**31 March 2010**

**Annual Report Tables**

**Table. 1 – Budget & Actual Comparison**

	<b>Budget £</b>	<b>Actual £</b>
Net Expenditure		
Recreation & Sport	125,013	139,154
Open Spaces	73,137	66,928
Tourism	54,937	57,168
Environmental Health	26,910	15,480
Community Safety	16,627	16,812
Planning & Development Services (including Markets)	142,123	123,860
Highways Roads (Routine)	-	(1,011)
Traffic Management/Road Safety	5,024	5,828
Net Direct Services Costs	<u>443,771</u>	<u>424,219</u>
Corporate Management	174,126	149,270
Democratic & Civic	90,168	95,094
Net Democratic, Management and Civic Costs	<u>264,294</u>	<u>244,364</u>
Interest & Investment Income	(6,000)	(6,636)
Loan Charges	45,943	45,944
Capital Expenditure	78,000	114,520
Transfers to/(from) other reserves	-	(175,536)
Reversal of Statutory Adjustments	(44,224)	(44,224)
(Deficit from)/Surplus to General Reserve	<u>(4,996)</u>	<u>174,137</u>
<b>Precept on District Council</b>	<u><u>776,788</u></u>	<u><u>776,788</u></u>

**Frome Town Council**

**Appendices**

**31 March 2010**

**Annual Report Tables**

**Table. 2 – Service Income & Expenditure**

Notes	2010 £	2010 £	2010 £	2009 £
	<b>Gross Expenditure</b>	<b>Income</b>	<b>Net Expenditure</b>	<b>Net Expenditure</b>
<b>CULTURAL &amp; RELATED SERVICES</b>				
Recreation and Sport	142,104	(2,950)	139,154	143,712
Open Spaces	67,195	(267)	66,928	90,493
Tourism	57,168	-	57,168	41,519
<b>ENVIRONMENTAL SERVICES</b>				
Environmental Health	15,480	-	15,480	19,222
Community Safety	16,812	-	16,812	16,746
<b>PLANNING &amp; DEVELOPMENT SERVICES</b>				
Planning Policy	32,188	-	32,188	53,138
Economic Development (including markets)	33,663	(3,886)	29,777	17,411
Community Development	61,895	-	61,895	67,651
<b>HIGHWAYS, ROADS &amp; TRANSPORT SERVICES</b>				
Highways/Roads (Routine)	2,989	(4,000)	(1,011)	(851)
Traffic Management/Road Safety	5,828	-	5,828	4,296
<b>CENTRAL SERVICES</b>				
Corporate Management	153,410	(4,140)	149,270	37,946
Democratic Representation and Management	71,898	-	71,898	45,780
Civic Expenses	24,821	(1,625)	23,196	22,153
<b>Net Cost of Services</b>	<b>685,451</b>	<b>(16,868)</b>	<b>668,583</b>	<b>559,216</b>