

# UNAUDITED ACCOUNTS

## **Shrewsbury Town Council**



## **Annual Report and Accounts**

**for the year ended 31st March 2019**

# UNAUDITED ACCOUNTS

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## **Shrewsbury Town Council Annual Report For the Year Ended 31st March 2019**

### **COUNCIL INFORMATION**

#### **Mayor**

Phil Gillam

#### **Councillors**

Peter Adams  
Julian Dean  
Hannah Fraser  
Nat Green  
Ioan Jones  
Nic Laurens  
Jane Mackenzie  
Pam Moseley  
Alan Mosley  
Peter Nutting  
Kevin Pardy  
Alexander Phillips  
Keith Roberts  
Harry Taylor  
David Vasmer  
Becky Wall

#### **Clerk to the Council**

Helen Ball BA Hons, FILCM

#### **Internal Auditors**

Auditing Solutions Ltd  
Clackerbrook  
46 The Common  
Bromham  
Chippenham  
SN15 2JJ

#### **External Auditors**

PKF Littljohn LLP  
SBA Team  
1 Westferry Circus  
Canary Wharf  
London  
E14 4HD

Further information about the accounts is available from Riggs Hall, The Library, Castle Gates, Shrewsbury, SY1 2AS. It is the Council's policy to provide full information about its affairs. Interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised in the press and on the Council's notice boards, and on the website.

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## **Shrewsbury Town Council Annual Report For the Year Ended 31st March 2019**

### **PRINCIPAL ACTIVITIES OF THE COUNCIL**

Shrewsbury Town Council is part of the 'parish council sector' and as such, is the first tier of local government, the closest council body to the residents of Shrewsbury. Shrewsbury Town Council works closely with the other tiers of local government for the area, namely Shropshire Council, with a view to facilitating a 'joined up' approach across all parties in order to deliver the highest quality services and facilities to the local residents.

The Town Council is working on a Mission Statement and objectives, however the following strap line has been adopted:

### ***Putting Shrewsbury First***

#### **Our Purpose**

The purpose of the Town Council is: To create civic pride by providing a safe, tidy environment for residents and visitors to enjoy. We aim to improve people's quality of life by providing recreational areas and facilities for the public to pursue hobbies, a variety of sporting activities or just relax.

To provide an opportunity for young children to develop social skills and appreciate the value of play via the provision of safe children's play areas.

To provide a voice for the residents of Shrewsbury and be an advocate on all issue affecting the town.

#### **Our Vision**

To provide civic leadership in all aspects of making Shrewsbury socially, environmentally, economically and culturally sustainable and promote Shrewsbury as a good place to live, work and raise a family.

#### **Our Aim**

Our aim is to encourage and promote the best environmental, social, economic and commercial practices in and for the town of Shrewsbury, and to effectively, efficiently and economically manage our assets and resources to deliver the services for which we have responsibility, for the betterment and benefit of the local community and to secure value for money.

To achieve our aim we will strive to:

- Provide high quality value for money local services
- Be responsive to the needs and aspirations of the local community
- Promote the town of Shrewsbury and Shrewsbury Town Council at local, county, regional, national and international levels
- Develop partnership and agency working with the public, voluntary and private sectors for the benefit of the community
- Promote environmental sustainability and Fair Trade
- Involve local people in meaningful dialogue to shape vision and policy
- Help create a socially inclusive and caring community which embraces all its residents, irrespective of age, disabilities, culture, income, race or religion and which seeks to develop their well being, knowledge, understanding and mutual cooperation.

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## **Shrewsbury Town Council Annual Report For the Year Ended 31st March 2019**

Shrewsbury Town Council is widely consulted on a range of strategic priorities, from the recently announced cycle network to large developments planned over the next 30 years, through the Local Development Framework, Core Strategy documents and local planning issues.

### **DIRECT SERVICE DELIVERY AREAS**

#### **The Quarry and Dingle**

The Quarry continues to be used for a wide range of planned activities from the Flower Show, Food Festival to the weekly ParkRun events, and is used most weekends of the year. As well as the planned activities it is the hub for the residents and visitors to Shrewsbury for leisure and recreational purposes every day of the year. The Town Council has altered the premises licence to provide a wide range of diverse events in the Quarry and is allowing musical groups to use the band stand. The Public Conveniences in the Quarry are now open for longer during British Summer Time in line with the opening hours of the Dingle the beautiful tranquil garden designed by Percy Thrower in the heart of the Quarry.

#### **Playing Fields and Open Spaces**

The Town Council is responsible for the maintenance of the majority of playing fields and open spaces located in the town. This responsibility includes the grass cutting, litter picking and all other maintenance costs.

The countryside land within the town boundary is now under the control and management of Shrewsbury Town Council with the freehold in the process of being transferred from Shropshire Council, and this asset will compliment the other open spaces for the town residents.

#### **Allotments**

There are twelve allotment sites, and the waiting list for prospective allotment holders continues to be very long. In these days of financial constraints, this type of pastime is increasing in popularity whilst also providing a good workout. The Council is exploring new opportunities to develop new sites to reduce the waiting lists.

#### **Play Areas**

The maintenance of the Town Council's many play areas continues to be a priority. Specifically trained personnel inspect the play areas every week, for both Health and Safety and maintenance issues, and they are also inspected annually by ROSPA. Spring programmes of refurbishment are carried out to ensure the equipment is ready for the busy spring / summer season.

The new and extended Quarry Play Park incorporating the Splash Park continues to be a great success and more features will be added and longer opening hours explored.

# UNAUDITED ACCOUNTS

## **Shrewsbury Town Council Annual Report For the Year Ended 31st March 2019**

### **Community Centres, Youth Services and Community Safety**

The Town Council owns two Community Centres which are run by local residents in the Castlefields and Ditherington area.

Following the cancellation of Youth Provision by Shropshire Council, the Town Council restarted the service in early 2016 employing a full time professional and part time posts to work at various locations and the management of the Grange Centre. This is part funded on a diminishing level by Shropshire Council and will evolve to meet the needs of the young people of Shrewsbury.

Four neighbourhood warden positions deal with specific daily tasks in all the wards but are also available to respond in a quick and timely manner to any issues.

### **Sports Facilities**

Shrewsbury Town Council owns two sports pavilions at the County Ground and Springfield, with associated football pitches and cricket wickets, these facilities are used by numerous teams, through the year. There are other football pitches available and through a "key scheme" there are tennis and crown green bowling facilities available.

The Monkmoor Recreation Park which includes astroturf, and grass football pitches, tennis courts, croquet and bowls is now being run and managed by Shrewsbury Town Council. The freehold is in the process of being transferred from Shropshire Council.

### **Grounds Maintenance**

This area is one of the largest costs to Shrewsbury Town Council. The work is carried out by an in-house team of grounds maintenance staff across all the assets and amenity areas as well as Shropshire Council premises within the Town which are operated via a Service Level Agreement (SLA).

### **Christmas lights**

The Town Council is responsible for the Christmas lights displayed in the town. These are now all LED to reduce energy consumption and increase brightness. A new display was unveiled for 2017 and to be replaced in 2020.

### **Bus shelters**

The cleaning and repairing of all the bus shelters in the town with the exception of the Raven Meadows Bus Station is undertaken by the Town Council.

### **Street lights**

The Town Council is responsible for all aspects of repairing and running over 450 footway lights around the town, and enhanced along the towpath and Castle Walk Footbridge.

# UNAUDITED ACCOUNTS

## **Shrewsbury Town Council Annual Report For the Year Ended 31st March 2019**

These are all in the process of being changed to LED which will be completed in 2019.

### **Public Conveniences**

There are 7 public conveniences located around the town which are maintained by the Town Council. There is a constant battle with anti social behaviour, which the Town Council is taking into consideration for any planned improvements, deep cleansing has been incorporated into the maintenance routines. There are now longer opening hours for some key sites during the summer and some events.

### **Civic Pride**

Shrewsbury Town Council has taken over the civic responsibilities from the former Borough Council and the Mayor continues to be a focal point and figurehead to promote Shrewsbury and the Town Council.

The Mayor, Councillors and officers contribute to the Annual Town Meeting, Mayor Making Ceremony as well as Remembrance Sunday and other Civic events throughout the year.

The Mayoral Awards were introduced to recognise enterprise, endeavours and contribution across various awards ranging from business, environmental, community youth and tourism.

### **Members Allowances**

The seventeen councillors are all entitled to receive a small allowance for their work as Town Councillors. The Town Council adopted the recommendation of the Independent Remuneration Panel in allocating £1,000 per annum to all Councillors under the Local Authorities (Members Allowances) (England) Regulations 2003.

In addition the Mayor and Deputy Mayor receive a combined total of £6,500 per annum, to contribute towards the expenses of running the office of Mayor, in accordance with s15(5) Local Government Act 1972.

### **Britain in Bloom**

Shrewsbury is often referred to as the Town of Flowers due to its success in Britain in Bloom and Entente Florale. The Town Council strives to continue this tradition to ensure that Shrewsbury is a welcoming town improving the quality of life for both residents and visitors alike through floral enhancement.

The Council encourages local business to participate by selling hanging baskets and maintains and waters them at competitive rates.

All floral beds and roundabouts form part of the Shrewsbury in Bloom sponsorship package, the proceeds from which funds community enhancements.

### **Other Services and events**

The Town Council works alongside other bodies or provides grants to put on events in the town during the year including the Christmas Lights switch-on, Carols in the square.

# UNAUDITED ACCOUNTS

## Shrewsbury Town Council Annual Report For the Year Ended 31st March 2019

### FINANCIAL SUMMARY

Shrewsbury Town Council currently receives no money from Central Government. It is self funding except for a small precept levied on the ratepayers of Shrewsbury, which constitutes a very small portion of the overall Council Tax bill; Only residential dwelling council tax is included in the precept to the Town Council, business rates being excluded.

The Practitioners' Guide for the Governance and Accountability for smaller Authorities in England has been revised and the proper practices in respect of Community Infrastructure Levy and Grants is to include as other receipts and taken to an earmarked receipt if unspent. Previously the Council has released money from the balance sheet to match expenditure in the income and expenditure account.

Shrewsbury Town Council has a significant Service Level Agreement to provide Grounds Maintenance for Shropshire Council until 2024/25.

The budget for the year 1st April 2018 to 31st March 2019 was approved by the Full Council in January 2018. The precept was set at £1,097,906 which equates to £45.63 at band D. The following budget comparison shows the actual spend against budget, with corresponding variances.

Budget Comparison for the year ended 31 March 2019

	Actual £	Budget £	Variance £
<b>Income</b>			
Grants	20,000	-	20,000
Markets	385,615	338,437	47,178
Residential and commercial rents	46,654	38,178	8,476
Interest and Investment income	80,979	63,130	17,849
Community centres, Youth and sports facilities	102,146	95,484	6,662
Grounds maintenance countryside & allotments	1,646,920	1,626,483	20,437
Other including sale of assets, S106 and CIL	568,309	19,219	549,090
	2,850,623	2,180,931	669,692
<b>Expenses and capital costs</b>			
Management and support costs	(462,837)	(468,067)	5,230
Democratic	(162,348)	(163,673)	1,325
Markets	(72,457)	(97,519)	25,062
Residential and commercial rents	(7,595)	(5,282)	(2,313)
Community centres, Youth and sports facilities	(366,779)	(323,454)	(43,325)
Grounds maintenance and allotments	(1,846,392)	(1,744,898)	(101,494)
Public conveniences	(132,370)	(136,113)	3,743
Bus shelters	(33,242)	(36,579)	3,337
Street lighting	(50,832)	(61,439)	10,607
Christmas lights	(49,890)	(50,767)	877
Capital	(145,707)	(40,000)	(105,707)
Earmarked and other specific reserves	(616,947)	(150,086)	(466,861)
	(3,947,396)	(3,277,877)	(669,519)
Transfer to / (from) general reserves	1,133	960	173
Precept	1,097,906	1,097,906	-



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## **Shrewsbury Town Council Annual Report For the Year Ended 31st March 2019**

### **Variances**

Overall the position is £173 better than budgeted, there is a small surplus taken to general reserves.

On the income side there was an overall positive variance of £669,692 which is the difference between actual and budgeted figures. This was mainly due to receipts of £568,309 for CIL and S106 received in the year.

The positive variance of £47,178 on Markets was due to the Livestock and general markets bucking the downward trend and over performing and resolution of the bad debt position at the Sunday Market which was over provided for in the previous year.

A slight increase from the historical low Bank of England base rate, led to the increase in investment income.

No grants were budgeted for and £20,000 received in the year.

The other positive variances are due to additional contracts, price increases and performing better than budgeted.

The expenditure variance overall was a negative £669,519 which was due to the new accounting treatment of earmarking unspent CIL, S106 and capital monies coupled with capital expenditure totalling £145,077. Excluding this expenditure or reserve provision the expenditure variance is a positive £96,951.

The Business Rates for the Sunday Market have been accrued for a number of years pending revaluation, the actual was less than expected leading to the positive variance.

The negative Community Centre, youth and sport facilities variance of £43,325 is due to refurbishing and relaunching the Grange Centre and enhancement of the youth provision

The Grounds maintenance and allotments overspend was due to significant repairs at the greenhouse and play areas refurbished which was funded with earmarked reserves.

A number of cost savings have also been identified by officers from better discounts, changing suppliers and scrutinising contracts.

The negative capital expenditure variance of £105,707 is due to the continued replacing of vehicles and equipment, identifies in a long term plan and covered by specific provision.

There is a negative net variance on movement of earmarked reserves compared to the budget due to the unspent CIL, S106 and capital monies received in the year and earmarked. Also due to the use of reserves for fixed asset additions and any additional income/underspends allowing more funds to be allocated for earmarked projects.

The total income and expenditure surplus of £173 was carried forward to the General Fund per the Statement of Reserves on page 22.

# UNAUDITED ACCOUNTS

## **Shrewsbury Town Council Annual Report For the Year Ended 31st March 2019**

### **Fixed Asset additions**

During the year, a number of grounds maintenance machines were upgraded as part of the fleet management process with the replaced machines being sold at a public auction.

### **Accounting policies**

The Town Council has updated the accounting policies in the year in respect of Grants or Contributions from Government or Related Bodies.

### **Borrowing facilities**

Shrewsbury Town Council does not currently owe the Public Works Loans Board any money. The Council does not have a fixed borrowing facility and finances are raised, if required on a project by project basis.

### **Funding**

The Town Council's current capital expenditure plans will be funded through underspend on the revenue budget and earmarked reserves. The surplus for the year is initially transferred to the general reserves before being earmarked for specific projects.

### **Financial statements**

The Town Council's Statement of Accounts for the Year Ended 31st March 2019 are set out in pages 10 - 32 of this document. They consist of the following statements:

- The Statement of Accounting Policies  
This statement details the legislation and the accounting principles on which the financial statements are prepared.
- The Annual Governance Statement  
This statement by the Town Council confirms there is a sound system of internal control in place and that all regulations and proper practices have been adhered to in the preparation of the end of year accounts.
- The Statement of Responsibilities  
This statement identifies the Town Council's responsibilities and identifies the officer who is responsible for the Town Council's financial affairs.
- The Income and Expenditure Account  
This document shows the Income generated and the total Expenditure incurred on the services provided by the Town Council for the year.
- The Statement of Movements of Reserves  
This statement shows the effect on the Town Council's surplus or deficit after allowing for movements in reserves.

# UNAUDITED ACCOUNTS

## **Shrewsbury Town Council Annual Report For the Year Ended 31st March 2019**

### **- The Balance Sheet**

This sets out the financial position of the Town Council on 31st March. It shows the value of its assets, the value of its cash and bank values, how much it is owed and how much it owes together with the balance of reserves at its disposal.

### **- Notes to the Accounts**

These provide further information on the amounts included in the financial statements.

### **Future Developments**

A capital programme of works and improvements in excess of £1.5million has been agreed by The Council, across all its estate and services to enhance and improve the provision.

The capital expenditure for the vehicle and equipment replacement plans will continue. Other capital programmes are only in their infancy but funds have been earmarked to finance them.

Shrewsbury Town Council is being consulted on any reductions to services and facilities by Shropshire Council to find viable solutions to minimise any loss for residents.

Shrewsbury Town Council will update its Medium Term Financial Plan during 2019/20, which puts in place a financial strategy for the next 3 - 5 years, to incorporate the council's visions up to the next elections.

# UNAUDITED ACCOUNTS

## Shrewsbury Town Council Statement of Accounting Policies 31 March 2019

### Accounting Convention

The accounts have been prepared in accordance with the Governance and Accountability for Smaller Authorities – 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
- Materiality

The accounts have been prepared under the historical cost convention.

Prior to 1st April 2016, the Town Council's accounts were prepared in line with the Financial Reporting Standard for Smaller Entities (FRSSE 2008) which has been replaced by FRS102. In accordance with the Account & Audit Regulations 2015, the Town Council is considered a "smaller body" and subject to "Limited Assurances" Audit. The change from the FRSSE to FRS102 has not resulted in any changes of accounting policies.

### Fixed Assets

All expenditure on the acquisition, creation or enhancement of fixed assets above the Town Council de-minimis (currently £5,000) is capitalised on an accruals basis in the accounts. Expenditure on fixed assets is capitalised, provided that the fixed asset yields benefits to the Town Council and the services it provides, for a period of more than one year. Expenditure on fixed assets is then included in the Balance Sheet with a corresponding transaction shown in the Capital Financing Account.

Depreciation is provided on all operational buildings (but not land), as well as other assets. Depreciation is not shown in the Council's Income and Expenditure account but is transferred directly to the Capital Financing Account.

Fixed Assets are included in the Balance Sheet at valuations current on 31st March 2010. These assets together with subsequent acquisitions and enhancements and will not be subject to revaluations.

Commercial and residential properties are classed as investment properties and revalued on a 5 yearly basis. The changes in the Market Value are taken to the Capital Financing Account.

### Depreciation Policy

Depreciation is calculated on the following basis:

- 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.

# UNAUDITED ACCOUNTS

## **Shrewsbury Town Council Statement of Accounting Policies 31 March 2019**

- Vehicles, plant and equipment and furniture over 3 to 10 years on a straight line basis.
- Play equipment over 5 to 10 years on a straight line basis.
- Community Assets are not depreciated.

Only fixed assets purchased in the first half of the year are depreciated in the year of acquisition.

### **Disposals**

Where an asset is disposed of at a value above the de-minimis limit (currently £5,000), the proceeds of which are a capital receipt under the Local Authorities (Capital Financing and Accounting) (England) Regulations 2003, the resultant gain or loss is reported in the Income and Expenditure Account and the proceeds are carried to the Useable Capital Receipts Reserve.

### **Grants or Contributions from Government or Related Bodies**

Any grants or contributions are taken to the Income and Expenditure Account and earmarked in reserves if unspent.

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 full amount of the grant has been included in the Income and Expenditure Account to offset the cost of purchasing the relevant asset.

This represents a change from previous years where balances were held as a Creditor on the balance sheet if unspent as noted in the financial summary page 6, and only released as income to match expenditure in the year.

### **Investments**

Investments are included in the Balance Sheet at historic cost and realised gains or losses are taken into the Income and Expenditure account as realised.

### **Stocks**

Stocks where relevant are being constantly replaced and their value is not material to assessing the Town Council's state of affairs as a result stock is written off directly to revenue expenditure.

### **Debtors and Creditors**

The revenue accounts of the Town Council are maintained on an accruals basis in accordance with the Accounting and Audit Regulations. That is sums due to or from the Town 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) if the amount is not material. This policy is applied consistently each year. Therefore, it will not have a material effect on the year's accounts or on the Town Council's annual budget.

# UNAUDITED ACCOUNTS

## **Shrewsbury Town Council Statement of Accounting Policies 31 March 2019**

The Town 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.

### **External Loan Repayments**

Details of the Town Council's external borrowings if relevant are shown in the notes.

The Town Council is required by the Guide to incorporate external borrowings in its Balance Sheet.

### **Leases**

The Town Council has no finance leases. Rentals payable under operating leases are charged to revenue on a straight line basis over the term of the lease.

### **Reserves**

The Town Council maintains certain earmarked reserves to meet general and specific future expenditure. The purpose of the Town Council's reserves is explained in the notes.

The Capital Financing Account is maintained to manage the accounting processes for tangible fixed assets and investment properties, and does not represent usable resources for the Town Council.

Capital receipts arising from the disposal of fixed assets are taken to the Useable Capital Receipts Reserve until such time as they are used to finance new capital expenditure.

### **Interest and Investment Income**

All interest and investment receipts are credited initially to general funds.

### **Pensions**

The pension costs that are charged against precept in the Town 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 is due 2020, there were no changes at the last valuation.

# UNAUDITED ACCOUNTS

## **Shrewsbury Town Council Statement of Accounting Policies 31 March 2019**

The Local Government Pension Scheme is accounted for as a defined benefit scheme.

### **Acquired and Discontinued Operations**

Income and expenditure relating to an acquired or discontinued operation would be shown separately on the Income and Expenditure Account. Any liabilities in respect of discontinued operations would be disclosed separately as a note to the Balance Sheet.

### **Exceptional, Extraordinary Items and Prior Period Adjustments**

Any Exceptional or Extraordinary Items will be disclosed on the face of the Income and Expenditure accounts and explained in the notes to the accounts.

Prior Period Adjustments are material adjustments applicable to prior years for changes in accounting policies or the correction of fundamental errors. Any adjustments referring to earlier accounting years are made by adjusting the comparative figures for the preceding year and adjusting the opening balances of reserves accordingly and explained in the notes to the accounts.

### **Post Balance Sheet Events**

Where a material post Balance Sheet event occurs which provides additional evidence relating to conditions existing at the Balance Sheet date or indicates the going concern concept to a material part of the Town Council is not appropriate, changes are made in the amounts included in the statement of accounts.

Any occurrence of a material post Balance Sheet event which concerns conditions which did not exist at the balance sheet date are disclosed in the notes to the accounts detailing the nature of the event and where possible an estimate of the financial effect.

### **Contingent Assets and Contingent Liabilities**

Contingent assets and liabilities are not disclosed in the accounting statements, if any such assets or liabilities exist then these are disclosed as notes to the accounts.

# UNAUDITED ACCOUNTS

## **Shrewsbury Town Council Annual Governance Statement 31st March 2019**

### **Scope of Responsibility**

Shrewsbury Town Council is responsible for ensuring its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Town Council follows the general principles of Best Value in making arrangements to secure the continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Having said that, the Town Council is responsible for putting in place proper arrangements for the governance of its affairs and for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

The Accounts & Audit Regulations 2011 established Shrewsbury Town Council as a "Smaller Body" and as such is subject to the "Limited Assurances" audit. The Town Council has however made a conscious decision to prepare a wider ranging Governance Statement.

The Town Council approved and adopted on 7 September 2009 a Code of Corporate Governance in accordance with CIPFA/SOLACE guidance.

This statement explains how the Town Council has complied with the code.

### **The Purpose of the Governance Framework**

The governance framework comprises the systems, processes, culture and values by which the Town Council is directed and controlled and its activities through which it accounts to and engages with the community. It enables the Town Council to monitor the achievement of its overarching 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.

In developing a Code of Corporate Governance, the Town Council has six core principles by which it operates:

#### **1 Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area;**

- The Town Council holds an Annual Town Meeting to help gauge local feeling on issues
- The Town Council have been the lead organisation in the set up and delivery of Team Shrewsbury a process of integrated community management
- Members publish newsletters in their wards to keep the community and allow for two way process of communication
- The Town Council has updated its website to allow for greater information sharing and engagement
- The Town Council has a social media presence using Facebook, Twitter, Instagram and Snapchat
- The Town Council funds a bi-monthly wrap around of the admag to publicise activities.



# UNAUDITED ACCOUNTS

## **Shrewsbury Town Council Annual Governance Statement 31st March 2019**

### **2 Members and officers working together to achieve a common purpose with clearly defined functions and roles;**

- The Town Council annually reviews updated its Standing Orders and Financial Regulations
- There is a Scheme of Officer Delegation to ensure effective decision making
- The Town Council has developed a number of operational policies which have been updated to reflect legislative changes including Equality and General Permitted Development Rights

### **3 Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;**

- The Town Council adopted the Code of Conduct adopted by Shropshire Council and all Councillors have signed up to abide by that code
- The Town Council has a Councillor/Employer Protocol
- The Town Council has set up a Joint Consultative Committee that allows for greater member / staff relations

### **4 Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;**

- The Town Council has an established Committee system with clear delegated powers, this allowing Full Council to act as the Overviewer and Scrutineer of Committee decisions
- All Committee dates are listed on the Council website annually and on every noticeboard throughout the town
- All Meeting Agendas, Reports and Minutes are uploaded to the Council's website
- The Town Council holds an annual review of the management of risk and this is signed off by the Finance & General Purposes Committee

### **5 Developing the capacity and capability of members and officers to be effective**

- All new employees have an induction pack
- All Councillors are given a New Members pack at the start of every electoral term
- The Town Council is a member of the Shropshire Association of Local Councils and regularly encourages its members to attend the training courses offered.
- The Town Council now has its fourth cohort of Apprentices designed to develop succession planning
- The Town Council has membership of a number of specialist organisations to help it discharge its functions around Markets, Allotments and Town Centre Management

### **6 Engaging with local people and other stakeholders to ensure robust public accountability.**

- The Town Council embraces all forms of media including website, social media, newsletters, noticeboards, public meetings to engage with the public at large
- The Town Council provides proper opportunity for the public to exercise their elector's rights in accordance with the accounts & Audit Regulations
- The Town Council operates a robust Complaints Procedures
- The Town Council has responded to all Freedom of Information Requests in the required timescales
- All meetings are open to the public and all agendas are placed on the website 7 days in advance

# UNAUDITED ACCOUNTS

## **Shrewsbury Town Council Annual Governance Statement 31st March 2019**

### **Annual Return- Section 1**

The Town Council must respond to a number of Assertions in the Annual Governance Statement of the Annual Return. Below is the manner in which the Town Council is comfortable in responding in the affirmative to those Assertions.

#### **Assertion 1 – Financial management and preparation of accounting statements**

##### **We have put in place arrangements for effective financial management during the year and for the preparation of the accounting statements**

**Budgeting** – The preparation of the Budget and the Monitoring thereafter is the responsibility of the Finance & General Purpose Committee. The Budget is prepared annually at the December meeting of the Committee in readiness for Full Council approval in January and onward notification to Shropshire Council of precept requirement to meet their end of January deadline. Actual performance against budget is monitored quarterly by the Committee. Additionally in the event that the Town Council is to take on a new project or service there is a full review of the Council's ability to maintain/sustain that activity ahead of implementation.

**Accounting records and supporting documents** – The Town Council appointed its Accountant as the Responsible Financial Officer (RFO) to be responsible for the financial administration in accordance with s151 Local Government Act 1972. The RFO has determined a system of financial controls that meets the size of the organisation whilst discharging the Town Council's duties under Regulation 4 Accounts & Audit Regulations. Prompt recording of all financial transactions is carried out through the RBS Omega Financial Accounting Package with this package facilitating the preparation of the End of Year Accounts and the accounting statements in Section 2 of the Annual Return.

**Bank Reconciliation** – All accounts held by the Town Council are reconciled by the RFO on a monthly basis as well as annually in preparation of the end of year accounts and the Annual Return. There are also internal controls which place a duty on both the Town Clerk and also a Member of the Town Council who is not a member of the Finance & General Purpose Committee or a Bank Signatory to validate those reconciliation reports.

**Investments** – The Town Council holds a number of investments to ensure that any amounts surplus to the current requirements achieve as maximum a return on investment as possible. All these investments are invested in accordance with the DCLG Guidance on Local Government Investments reported to the Financial & General Purpose Committee who review the Council's Investment Strategy on an annual basis.

**Statement of Accounts** – Arrangements are in place to enable the preparation of an accurate and timely statement of accounts in compliance with its statutory obligations and proper practices. In 2009 when the Town Council was established it fell within the requirements for FRSSE Accounting, but following the "Limited Assurance" Audit being extended to the Town Council, members agreed to continue with the preparation of more detailed accounts; this allows for greater transparency for the public on how public funds are used but also provides better monitoring between accounting years.

The Town Council has noted that FRSSE has been replaced by UK GAAP (FRS102) for financial years commencing on or after 1 April 2016 and have prepared the accounts for 2018/19 to reflect this change as recommended by JPAG.

# UNAUDITED ACCOUNTS

## **Shrewsbury Town Council Annual Governance Statement 31st March 2019**

### **Assertion 2 – Internal Control**

**We maintained an adequate system of internal controls, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness**

Standing Orders & Financial Regulations – The Town Council annually reviews and amends its Standing Orders and Financial Regulations. Reviews are ratified at the Annual meeting of Council.

Safe and Efficient Arrangements to Safeguard Public Money – The Town Council operates a number of practical controls on how it safeguards money including how the authority orders goods and services, incurs liabilities, manages debtors, makes payments and handles receipts, with the RFO having formal responsibility for administering the Town Council's financial affairs.

- i All orders for payment are signed by any two of six member signatories on the main bank account
- ii The Town Council has an Imprest Account to allow for smaller day-to-day transactions; this account requires any two of either the six member signatories or the Town Clerk, Operations Manager & RFO
- iii The Town Council operates an online banking system which requires payments to be approved by any two of the Town Clerk, Operations Manager & RFO, following approval by two of the six Councillor signatories
- iv Changes to accounts with banks or financial institutions are approved by Full Council with the signatories to those accounts being reviewed annually
- v Corporate Credit Cards are held by the Town Clerk & RFO to ensure the day-to-day business of Council is maintained; these have defined limits and are cleared monthly by direct debit from the main bank account.
- vi The Town Council reviews its Risk Assessments annually including its policy on the prevention of Fraud and Corruption.

Employment – All employee remunerations are approved by the Town Council and all payroll matters including duties under employment legislation and pension obligations are undertaken by the Shropshire Council Payroll Team. As a regular check the Internal Audit reviews a sample of salaries whenever he visits.

VAT – The RFO has set in place a robust arrangement for handling the Town Council's responsibilities with regards to VAT ensuring that regular returns are made to HMRC.

Fixed Assets & Equipment – The RFO maintains the Town Council's Fixed Asset Register ensuring the register is updated with any new purchases or disposals with appropriate arrangements for the use of any capital receipts.

Review of Effectiveness – The Town Council annually reviews its effectiveness of its internal controls as part of the end of year accounting process; this in turn feeds into the preparation of Section 1 of the Annual Report.

### **Assertion 3 – Compliance with laws, regulations and proper practices**

**We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant**

# UNAUDITED ACCOUNTS

## **Shrewsbury Town Council Annual Governance Statement 31st March 2019**

### **financial effect on the ability of this smaller authority to conduct its business or manage its**

Acting within its powers – The Town Council is keen to ensure that all decisions it makes are within the existing statute, therefore members are well aware of the list of Statutes & Regulations that it must work towards. The Mayor (in the case of Full Council) and the various Committee Chairmen have a duty to ensure that any item which is placed on an agenda falls within the powers and duties of a Local Council.

General Power Of Competence – In accordance with the Localism Act 2011 and the Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012, the Town Council resolved that it had met the criteria to use the General Power of Competence at its Annual Town Council Meeting in May 2017 following the last Council Elections.

### **Assertion 4 – Exercise of public rights**

**We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts & Audit Regulations.**

Exercise of Public Rights – In accordance with ss26&27 Local Audit & Accountability Act 2014 the RFO publishes the Annual Return as well as the Unaudited Statement of Accounts on the Town Council's website and on our Noticeboards. The RFO prepares a statement that sets out details of how public rights can be exercised as set out in Regulation 15(2)(b) including the period for the exercise of public rights. In addition to publication on the Town Council's Website and our Noticeboards an advertisement is taken out in the Shropshire Star and Shrewsbury Chronicle.

External Auditor's Review – in accordance with Regulation 16 of the Accounts & Audit Regulations, the RFO publishes on the Town Council's website and our Noticeboards a Notice of Conclusion of the external auditor's limited assurance review of the annual return.

### **Assertion 5 – Risk Management**

**We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.**

Identifying & Assessing Risks – The Town Council undertakes an assessment of risk for every facet of its work and there are specific Risk Assessments for all specialist areas. In addition annually the Town Council undertakes a general assessment of risk using the LCRS Software and all areas requiring further action are reported annually to Council.

### **Assertion 6 – Internal Audit**

**We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.**

Internal Audit – The Town Council has appointed Auditing Solutions to undertake its programme of internal audit, looking primarily at the effectiveness of its risk management, control and governance processes taking into account current guidance for smaller authorities, a 5 year plan identifies key themes for review. 2018/19 is the final year of the current 5 year plan. The Auditors visit the Town Council 3 times a year and provide a comprehensive report on work undertaken; this is presented to the

# UNAUDITED ACCOUNTS

## Shrewsbury Town Council Annual Governance Statement 31st March 2019

Finance & General Purposes Committee for consideration. Additionally members are all informed when the Auditors are visiting should they wish to discuss any matter personally. Annually we review the effectiveness of the Internal Audit process to ensure that it meets the size, needs and functions of the organisation.

Provision of Information – All necessary steps are taken to facilitate the work of those conducting the internal audit and all staff and relevant information are made available to assist in the process. The Responsible Financial Officer oversees the process.

### Assertion 7 – Reports from Auditors

**We took appropriate action on all matters raised in reports from internal and external audit.**

**Internal Audit Reports** – All internal Audit Reports are presented to the Finance & General Purposes Committee for sign off and consideration of actions. Those actions are reported in the Minutes as a permanent record.

**External Audit Reports** - Annually the conclusion of audit is presented to Council for consideration of any recommendations / actions.

### Assertion 8 Significant Events

**We considered whether any litigation, liabilities or commitments, events or transactions, occurring during or after the year-end, have a financial impact on this smaller authority and, where appropriate have included them in the accounting statements.**

Significant Events – The Town Council is not aware of any events that took place in the financial year that have a financial impact on the Town Council, however cognisance should be made of the following:

- i The Town Council has been cited as an interested party in Judicial Review Proceedings brought by Dr P Day against Shropshire Council regards a planning decision on land previously owned by the Town Council. The Town Council agreed to contribute towards the cost of legal fees to defend the case.
- ii The Council's future plans for its permanent administrative base remains unresolved.
- iii The Council has agreed to a CVA with Town & Country Markets, this includes the part repayment of fees.
- iv The Town Council is currently the subject of an HMRC investigation into whether Councils should charge VAT on Market Pitches. The Council carries out a similar practice to all other Market authorities, but should HMRC conclude the Town Council should charge VAT this will have far reaching implications on the whole Markets industry.

### Approval of Statement

This statement was approved by the Full Council on Monday 24th June 2019 when authority was granted for the Mayor of Shrewsbury and Town Clerk to sign.

Mayor of Shrewsbury Town Council ( Phil Gillam ).....

Town Clerk (Helen Ball) .....

On behalf of Shrewsbury Town Council

# UNAUDITED ACCOUNTS

## Shrewsbury Town Council Statement of Responsibilities for the Accounts 31st March 2019

### The Town Council's Responsibilities

The Town Council is required:

- To make arrangements for the proper administration of its financial affairs, including the appointment of an Internal Auditor.
- To secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Responsible Financial Officer (RFO).
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- To approve the accounts and annual return.
- To set a budget and determine a precept levy on the local rating authority.

### The Responsible Financial Officer's Responsibilities

The RFO is responsible for the preparation of the Council's Statement of Accounts as contained in *Governance and Accountability for Local Councils (Part 3) - A Practitioners Guide (England) "The Guide"*, 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 then ended.

In preparing the statements of accounts, the RFO has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent, and complied with the guide.

The RFO has also:

- Kept proper accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

### Responsible Financial Officer's Certificate

I hereby certify that the statement of accounts presents a true and fair view of the position of Shrewsbury Town Council at 31 March 2019, and its income and expenditure for the year ended 31 March 2019.

Signed: .....  
Responsible Financial Officer

Date: .....

# UNAUDITED ACCOUNTS

## Shrewsbury Town Council Income and Expenditure Account 31st March 2019

	Notes	2019		2018	
		£	£	£	£
<b>Income</b>					
Precept	3	1,097,906		969,868	
Grants received	4	20,000		2,965	
Rental Income, Interest and Investment Income		521,215		489,974	
Charges made for services		1,758,169		1,774,453	
Other Income or Contributions incl CIL and S106		<u>551,238</u>	3,948,528	<u>813,787</u>	4,051,047
<b>Expenditure</b>					
Direct Service Costs:					
Salaries and Wages		(1,600,503)		(1,486,978)	
Other Costs	23	(1,104,760)		(999,970)	
Grant-aid Expenditure		(20,000)		(19,575)	
Democratic, Management and Civic Cost:					
Salaries and wages		(285,907)		(270,677)	
Other Costs	23	<u>(319,278)</u>	(3,330,448)	<u>(275,456)</u>	(3,052,656)
<b>Exceptional Items</b>			-		-
<b>Net Surplus / (Deficit) for the Year</b>			<u>618,080</u>		<u>998,391</u>

# UNAUDITED ACCOUNTS

## Shrewsbury Town Council Statement of Movement of Reserves 31st March 2019

	Note	Balance 1 April 2018	Net Movement In Year	Balance 31 March 2019	Purpose of reserve
<b>Reserves available for council use to fund future expenditure</b>					
General Fund		415,441	1,133	416,574	Resources available to meet shortfall in running costs
Earmarked Reserves	16	3,422,206	613,447	4,035,653	Resources available for specific purposes
Usable Capital Receipts	18	653,857	3,500	657,357	Proceeds of fixed asset sales for future capital investment
		<u>4,491,504</u>	<u>618,080</u>	<u>5,109,584</u>	
<b>Reserves not available to fund future expenditure</b>					
Capital Financing Account	17	6,012,507	(171,757)	5,840,750	Fixed asset transactions transferred to the Balance Sheet.
<b>Reserves C/F to Balance Sheet</b>		<u>10,504,011</u>	<u>446,323</u>	<u>10,950,334</u>	



# UNAUDITED ACCOUNTS

## Shrewsbury Town Council Balance Sheet 31st March 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible fixed assets:					
Land and Buildings	9	3,666,611		3,870,001	
Vehicles and Plant	9	538,015		506,381	
Non - operational	9	5,625		5,625	
Investment Properties	9	590,500		590,500	
Long Term Investments	10	<u>1,040,000</u>	5,840,751	<u>1,040,000</u>	6,012,507
<b>Current Assets</b>					
Debtors	13	217,682		182,338	
Short term investments		5,200,000		4,700,000	
Cash at Bank and In-hand		<u>383,399</u>		<u>510,541</u>	
		5,801,081		5,392,879	
<b>Current Liabilities</b>					
Creditors and accrued expenses	14	<u>691,498</u>		<u>901,375</u>	
		691,498		901,375	
<b>Net Current Assets</b>			5,109,583		4,491,504
			<u>10,950,334</u>		<u>10,504,011</u>
<b>Financed by:</b>					
<b>Reserves available to the council</b>					
Usable Capital Receipts	18		657,357		653,857
Earmarked Reserves	16		4,035,653		3,422,206
General Reserve			<u>416,574</u>		<u>415,441</u>
			5,109,584		4,491,504
<b>Reserves not available to the council and represent the net investment in fixed assets</b>					
Capital Financing Account	17		5,840,750		6,012,507
			<u>10,950,334</u>		<u>10,504,011</u>

These accounts have been approved by the Town Council.

.....  
**Mayor of Shrewsbury Town Council**

Date: .....

.....  
**Responsible Financial Officer**

Date: .....

# UNAUDITED ACCOUNTS

## Shrewsbury Town Council Notes to the Accounts 31st March 2019

### 1 Interest and Investment Income

	2019 £	2018 £
Interest Income - General Funds	36,842	20,830
Investment Property Fund - General funds	44,137	47,039
	<u>80,979</u>	<u>67,869</u>

### 2 Audit Fees

Fees payable for the limited assurance audit carried out by the Town Council's auditors, PKF Littlejohn LLP, in the year are £3,200, (prior year £3,200). These fees are set by the Audit Commission.

### 3 Precept

	2019 £	2018 £
Precept received from Council Taxpayers of Shrewsbury	<u>1,097,906</u>	<u>969,868</u>

### 4 Grants Received

	2019 £	2018 £
BLT / Shropshire Council - various small projects	-	965
WMP - Crime Commissioner	-	2,000
Shrewsbury Angling Trust	15,000	-
Angling Trust Ltd	5,000	-
	<u>20,000</u>	<u>2,965</u>

### 5 Employees

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

	2019 Number	2018 Number
Full-time and part-time permanent staff including apprentices and cover for maternity and long term sick	<u>84</u>	<u>82</u>
Number of staff employed at year end	<u>85</u>	<u>83</u>

All staff are paid within nationally agreed pay scales

# UNAUDITED ACCOUNTS

## Shrewsbury Town Council Notes to the Accounts 31st March 2019

Number of employees whose remuneration excluding employers pension contributions was over £50,000 in bands of £10,000 was:

Band	2019 Number	2018 Number
£50,000 to £59,999	1	1

The pay multiple between the Head of Service and Median salary of the council is:

Ratio	2019 Number	2018 Number
Pay multiple between Head of Service and Median Salary	2.65 to 1	2.65 to 1

### 6 Members Allowances

Summary of Members allowances paid during the year

	2019		2018	
	Basic Allowance £	Special Responsibility & Travel and Subsistence £	Basic Allowance £	Special Responsibility & Travel and Subsistence £
Peter M Adams	1000	36	1,000	35
Beverley Baker	-	-	102	-
Andrew Bannerman	-	-	102	-
Anne M Chebsey	-	-	102	-
Julian S Dean	1000	-	898	-
Hannah Fraser	1000	-	1,000	-
Phil Gillam	1000	1,500	898	-
Nat J Green	1000	-	898	-
Ioan G Jones	1000	-	1,000	-
Nic Laurens	1000	-	898	-
Jonathon M W Kenny	-	-	102	-
J Mackenzie	1000	-	1,000	5,138
Pam A Moseley	1000	-	1,000	-
Alan M Mosley	1000	-	1,000	-
Peter A Nutting	1000	5,023	1,000	1,539
Kathleen M Owen	-	-	102	-
K J Pardy	1000	-	1,000	-
Alexander Phillips	1000	-	898	-
Malcolm T Price	-	-	102	12
Keith R Roberts	1000	108	1,000	104
Jon Tandy	-	-	102	16
Harry Taylor	1000	-	898	-
Alan R H Townsend	-	-	102	-
David Vasmer	1000	5	898	-
Becky A Wall	1000	-	898	25

# UNAUDITED ACCOUNTS

## **Shrewsbury Town Council Notes to the Accounts 31st March 2019**

### **7 Related Party Transactions**

The Town Council is required to disclose material transactions with related parties - bodies or individuals that have potential to control or influence the Town Council or to be controlled or influenced by the Town Council. Disclosure of these transactions allow readers to assess the extent to which the Town Council might have been constrained in its ability to operate independently or might have secured the ability to limit another parties ability to bargain freely with the Town Council.

The Town Council has a SLA with Shropshire Council for a 10 year period for various grounds maintenance work in and around Shrewsbury, entered into from 1st April 2009. There are a number of Town Councillors which sit on both Shrewsbury Town Council and Shropshire Council. On the 12th November 2012 the Town Council granted dispensation to all twin-hatted members in respect or pecuniary and non pecuniary interests arising out of their membership of Shropshire Council when matters relating to Shropshire Council are discussed by the Town Council. This resolution was taken following changes to the Code of Conduct as a result of The Localism Act 2011.

### **8 Participation in Pension Scheme**

As part of the terms and conditions of employment of its officers and other employees, the Town Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Town Council has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Town Council participates in the Local Government Pension Scheme for civilian employees, administered locally by Shropshire County Pension Fund. This is a defined benefit final salary scheme, meaning that the Town Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The cost to the Town Council for the year ended 31st March 2019 was £213,315 (prior year £199,855). There were no outstanding contributions at the Balance sheet date.

The Town Council's employer's contributions rate remains at 14.8% of employee's pensionable pay, this will be reviewed again on 1st of April 2020.

# UNAUDITED ACCOUNTS

## Shrewsbury Town Council Notes to the Accounts 31st March 2019

### 9 Fixed Assets

	Tangible fixed assets				
	Land and buildings £	Vehicles and plant £	Non - operational £	Investment Properties £	Total £
<b>Cost</b>					
Brought forward	5,407,476	1,107,819	5,625	590,500	7,111,420
Additions	1	145,706	-	-	145,707
Disposals	-	(38,922)	-	-	(38,922)
Impairment	-	-	-	-	-
	<u>5,407,477</u>	<u>1,214,603</u>	<u>5,625</u>	<u>590,500</u>	<u>7,218,205</u>
<b>Depreciation</b>					
Brought forward	1,537,475	601,438	-	-	2,138,913
Charged for the year	203,391	99,373	-	-	302,764
Disposals	-	(24,223)	-	-	(24,223)
	<u>1,740,866</u>	<u>676,588</u>	<u>-</u>	<u>-</u>	<u>2,417,454</u>
<b>Net Book Value</b>					
At 31 March 2018	<u>3,870,001</u>	<u>506,381</u>	<u>5,625</u>	<u>590,500</u>	<u>4,972,507</u>
At 31 March 2019	<u>3,666,611</u>	<u>538,015</u>	<u>5,625</u>	<u>590,500</u>	<u>4,800,751</u>

Costs of additions to Vehicles and plant additions was upgrading and replacing the current fleet. Freehold land was a purchase of a old style telephone box.

Although classified as capital expenditure, certain minor equipment purchases are not included above as they are not material in overall value.

The asset values are not updated. The value of the assets transferred from SABC were the Net Book Value (NBV) as at 31st March 2009.

Investment properties have been revalued at their market values subject to current lease and service occupancy at the 31st March 2015 by Julian Spencer (MRICS), and will be revalued every 5 years.

### 10 Long Term Investments

	CCLA Property Fund £	Total £
<b>Cost</b>		
As at 1st April 2018	1,040,000	1,040,000
Additions	-	-
Disposals	-	-
As at 31st March 2019	<u>1,040,000</u>	<u>1,040,000</u>

# UNAUDITED ACCOUNTS

## Shrewsbury Town Council Notes to the Accounts 31st March 2019

### 11 Financing of Capital Expenditure

	2019 £	2018 £
<b>The following capital expenditure during the year:</b>		
Vehicles and plant purchased (net)	145,706	163,864
Land and buildings purchased (net)	1	-
Investment properties (net)	-	-
Long Term Investments (net)	-	-
	<u>145,707</u>	<u>163,864</u>
<b>Financing:</b>		
Precept, Revenue Income, Capital sales and Earmarked Reserves	145,707	163,864
Commuted Sums received	-	-
	<u>145,707</u>	<u>163,864</u>

### 12 Information on Assets Held

Fixed assets owned by the Town Council include the following:

	2019 Number	2018 Number
<b>Land and Buildings</b>		
Glasshouse	1	1
STC - Weeping Cross Centre	1	1
Public conveniences	5	5
The Quarry and Dingle	1	1
Sports pavilions	2	2
Tennis courts	3	3
Bowling greens	3	3
Rec grounds and play areas	various	various
Gardens and grounds	various	various
Open spaces	various	various
Allotments	12	12
Community centres	2	2
Footway lights	400+	400+
<b>Vehicles and Plant</b>		
Mayoral car	1	1
Vehicles and mowers	various	various
Trailers	various	various
Equipment	various	various
Office equipment	various	various
<b>Non - operational</b>		
Civic Regalia and silver	various	various
<b>Investment Properties</b>		
Commercial premises	3	3
Residential premises	1	1

# UNAUDITED ACCOUNTS

## Shrewsbury Town Council Notes to the Accounts 31st March 2019

<b>13 Debtors</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade Debtors	50,601	23,139
Prepayments and accrued income	167,081	159,199
	<u>217,682</u>	<u>182,338</u>

<b>14 Creditors and accrued expenses</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade Creditors	224,818	205,585
Other Creditors	48,314	43,364
Payroll Taxes and Social Security	28,657	28,604
VAT	33,555	45,778
Accruals	352,207	577,838
Income in Advance	3,947	206
	<u>691,498</u>	<u>901,375</u>

### 15 Financial Commitments under operating leases

#### Vehicles, Plant and Equipment

The Town Council uses photocopying equipment financed under the terms of an operating lease, the amount paid under this arrangement in 2018/19 was £1,835, prior year £752. These amounts have been charged to the relevant service heading in the Income and Expenditure Account.

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Annual obligations expiring within one year	-	-
Annual obligations expiring between two and five years	2,620	752
Annual obligations expiring after five years	-	-
	<u>2,620</u>	<u>752</u>

#### Land and Buildings

The Town Council leases land and buildings for the provision of public conveniences under the terms of an operating lease. The amount paid under this arrangement in 2018/19 was £5,000, prior year £2,750. This amount has been charged to the relevant service heading in the Income and Expenditure Account.

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Annual obligations expiring within one year	-	2,750
Annual obligations expiring between two and five years	5,000	-
Annual obligations expiring after five years	-	-
	<u>5,000</u>	<u>2,750</u>

# UNAUDITED ACCOUNTS

## Shrewsbury Town Council Notes to the Accounts 31st March 2019

<b>16 Earmarked Reserves</b>	<b>Balance at 01/04/18 £</b>	<b>Transfers to / (from) reserves £</b>	<b>Use of reserves in year £</b>	<b>Balance at 31/03/19 £</b>
<b>General income funds</b>				
Election cost reserve	20,000	15,000	-	35,000
Equipment and vehicle replacement	1,011,136	114,894	(96,564)	1,029,466
Children's play areas	669,333	41,669		711,002
Quarry greenhouse	250,000			250,000
Allotments (security) *	39,100	7,400		46,500
Future Town Council projects	120,000			120,000
Recreation (astrofurf & floodlights)	110,000			110,000
River banks	120,000			120,000
IT upgrade and infrastructure	7,500	2,500		10,000
Splashpark	15,000	5,000		20,000
Nursery stabilisation	43,693		(43,693)	-
Youth service / centre upgrades	40,375		(25,000)	15,375
Dana footpath	50,000			50,000
Planned countryside works	5,000			5,000
Snow clearance equipment	18,240			18,240
Quarry footway solar lights extension	30,000	15,000		45,000
Footway lights upgrade (Heads)	95,000	25,000		120,000
Footway lights upgrade (Columns)		18,000		18,000
Fisheries improvements & Grants	10,000	11,061		21,061
Climate Change Fund		50,000		50,000
Lower Quarry Toilets		45,000		45,000
<b>Deferred income/grant funds #</b>				
Neighbourhood fund (CIL) <sup>1</sup>	413,294	275,510		688,804
Commutated sums (S106) <sup>2</sup>	307,226	236,451	(81,740)	461,937
Receipts in adv incl Grants	47,309		(2,041)	45,268
	<b>3,422,206</b>	<b>862,485</b>	<b>(249,038)</b>	<b>4,035,653</b>

Earmarked reserves represent sums set aside to fund future expenditure and projects. Inline with legislation, surplus from allotments cannot be used for general purposes and earmarked \* for future projects.

Deferred income / grant funds # were previously treated as balancing items, held on the balance sheet and released when utilised. Following a change to the guidelines issued 19th March 2018 under S138A these receipts are now treated as other income and earmarked if unspent.

<sup>1</sup> Amounts received in the year represent 15% of Community Infrastructure Levy (CIL) received by Shropshire Council on any new developments in the Parish due to the Town Council.

<sup>2</sup> Commuted Sums are agreements with developers to cover capital and maintenance of an asset over a period of time adopted by the Town Council.



# UNAUDITED ACCOUNTS

## Shrewsbury Town Council Notes to the Accounts 31st March 2019

### 17 Capital Financing Account

	2019 £	2018 £
Balance brought forward	6,012,507	6,142,761
Financing capital expenditure in the year using reserve balances (net)	106,785	122,954
Financing capital expenditure in the year using commuted sums		-
Depreciation (net)	(278,542)	(253,208)
Impairment of Investment Properties		-
Balance carried forward	<u>5,840,750</u>	<u>6,012,507</u>

The Capital Financing Account represents revenue and capital resources applied to finance capital expenditure and for the repayment of external loans. It also includes the reversal of depreciation and any impairments to ensure it does not impact on the amount to be met from precept. It does not represent a reserve which the Town Council can use to support future expenditure.

Certain assets were transferred from SABC at no cost. To fairly state the value of the assets and comply with the council's accounting policy these have been included in the accounts at their NBV at 31st March 2009.

### 18 Usable Capital Receipts

	2019 £	2018 £
Balance brought forward	653,857	114,182
Sale of land in the year	3,500	539,675
Sale of Vehicles and plant in the year	-	-
Balance carried forward	<u>657,357</u>	<u>653,857</u>

Usable capital receipts represent proceeds of fixed asset sales for future capital investment.

### 19 Contingent Liabilities

The Town Council is not aware of any such liabilities at 31st March 2019, other than an ongoing dispute with HMRC regards VAT where a provision has been made to pay the advisors fee in the event of a successful defence.

### 20 Capital Commitments

The Town Council has no capital commitments at 31st March 2019.

### 21 Post Balance Sheet Events

The Town Council is not aware of any material events that arise after the Balance Sheet date and which did not exist at the time that need to be declared to ensure a fair presentation of the financial statements.

# UNAUDITED ACCOUNTS

## Shrewsbury Town Council Notes to the Accounts 31st March 2019

### 22 Prior Period Adjustments

There are no prior period adjustments

### 23 Summary of Expenditure

The summary of expenditure is based on the subjective analysis contained in the Best Value Accounting Code of Practice. Although the Town Council is no longer subject to these provisions, it is felt they give a view of the figures in a format acceptable in the production of local authority accounts.

	2019 £	2018 £
<b>Direct Service Cost</b>		
Other expenditure	<u>1,104,760</u>	<u>999,970</u>

Analysis of costs broken into principal components:

Premises and Related Costs	184,566	192,165
Transport Costs	100,355	96,615
Supplies and Services	641,525	505,942
Support Services	32,607	29,855
Capital	145,707	175,393
	<u>1,104,760</u>	<u>999,970</u>

	2019 £	2018 £
<b>Democratic, Management and Civic Costs</b>		
Other expenditure	<u>319,278</u>	<u>275,456</u>

Analysis of costs broken into principal components:

Premises and Related Costs	42,334	46,342
Transport Costs	15,132	15,235
Supplies and Services	15,198	13,622
Support Services	246,614	200,257
Capital	-	-
	<u>319,278</u>	<u>275,456</u>