

**Dunstable Town Council**  
**Statements of Accounts**  
**for the Year ended 31st March 2006**

# **Dunstable Town Council**

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### **for the Year ended 31st March 2006**

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# **Dunstable Town Council**

## **Council Information**

### **Town Mayor**

Councillor Mrs C M Gresham

### **Councillors**

Councillor Mrs B M Boatwright (Deputy Town Mayor)

Councillor R R Anklesaria

Councillor P J Boatwright

Councillor A Bray

Councillor T C Colbourne

Councillor A J Fairbairn

Councillor Mrs J K Fairbairn

Councillor J Freeman

Councillor A E Green

Councillor J A Harnett

Councillor M Jones

Councillor Mrs S Littlechild

Councillor C E Meakins - Jell

Councillor M J P Mullany

Councillor Mrs S A Newton

Councillor B Ralley

Councillor P E Russell

Councillor Mrs A Stock

Councillor T A W Stock

Councillor M Tilley

### **Clerk to the Council**

Mr R Walden DMA, HNC Business Studies

### **Auditors**

Audit Commission

1st Floor, Sheffield House, Lytton Way, off Gates Way, Stevenage, Hertfordshire, SG1 3HB

# **Dunstable Town Council**

## **Explanatory Foreword**

**31st March 2006**

The council's statements of accounts for the year ended 31 March 2006 are set out on the following pages. They consist of the following statements:

### **The Consolidated Revenue Account**

The council's revenue account, covering income and expenditure on all services.

### **The Balance Sheet**

This sets out the financial position of the council at 31 March 2006, i.e. its assets and liabilities at that date.

### **The Cash Flow Statement**

This summarises incomes and outflows of cash arising from revenue and capital transactions with third parties.

### **Statement of Total Movement in Reserves**

This is a summarised statement of the total gains and losses enjoyed and suffered by the council and their effect on the council's reserves during the year.

### **Notes to the Accounts**

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

This foreword provides a brief explanation of the financial aspects of the council's activities and draws attention to the main characteristics of the financial position, including the year's budget, as summarised below.

### **Budget Comparison for the year ended 31 March 2006**

The following shows a comparison of the budget and outturn figures for 2005/2006

	<b>Budget £</b>	<b>Actual £</b>
Net expenditure		
Cultural & Heritage	193,615	184,912
Recreation & Sport	354,831	338,359
Open Spaces	245,364	245,550
Cemetery, Cremation & Mortuary	108,529	115,479
Community Development (including Markets)	77,103	78,004
Other Services to the Public	-	(140,000)
Investment Properties	20,700	110,135
Corporate Management	135,651	185,776
Democratic & Civic	140,697	212,922
Interest Income	(23,000)	(42,070)
Net contribution to/(from) reserves and other adjustments	55,877	20,300
<b>Precept on District Council</b>	<b>1,309,367</b>	<b>1,309,367</b>

The net overspendings on services of £35,577 are reflected in a reduced contribution to reserves and capital expenditure provision.

# **Dunstable Town Council**

## **Explanatory Foreword**

**31st March 2006**

### **Further Information**

Further information about the accounts is available from Grove House, 76 High Street North, Dunstable, Bedfordshire, LU6 1LF. This is part of the council's policy of providing 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 notice board outside the council offices.

**Dunstable Town Council**

**Statement of Responsibilities for the Statements of Accounts**

**31st March 2006**

**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 Town Clerk, 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 statements of accounts 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 2006 and its income and expenditure for the year then ended.

In preparing the statements of accounts, 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 statements of accounts for the year ended 31 March 2006 required by the Accounts and Audit Regulations 2003 are set out in the following pages.

I further certify that the statements of accounts present fairly the financial position of Dunstable Town Council at 31 March 2006, and its income and expenditure for the year ended 31 March 2006.

Signed: .....  
Town Clerk

Date: .....

# **Dunstable Town Council**

## **Statement of Internal Control**

**31st March 2006**

### **Scope of Responsibility**

Dunstable Town Council is responsible for ensuring that 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 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 also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the council's functions and which includes arrangements for the management of risk.

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it 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 the 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.

A system of internal control has been in place at Dunstable Town Council for the year ended 31st March 2006 and up to the date of the approval of the annual report and accounts.

Having completed a formal risk management review, the council is using recommended software as a baseline, supported by its own documentation, to maintain a formal record of assessed risks and control measures.

### **The Internal Control Environment**

The system of internal control is based on a framework of codes of conduct, internal regulations (including but not limited to financial regulations) and administrative procedures. It is further enhanced by the regular provision of management and financial information, provided as appropriate to fit the council's policy of delegation and responsibility. The system is constantly monitored by members as well as officers within the council. In particular the system incorporates:

regular reports of service delivery and project performance

comprehensive budgeting systems and project evaluation and management criteria

setting of targets to measure financial and general performance

the preparation and dissemination of regular financial reports measuring actual expenditure against forecasts, for both revenue and capital projects

the regular review of such reports by officers, and by members in committee and at full council

weekly meetings of the council's management team and other provisions within the council's Performance Management System

regular review of all aspects of the council's service delivery as required by the Best Value Performance regime.

The council has appointed an internal auditor and receives regular reports which are considered by Members together with any recommendations.

# **Dunstable Town Council**

## **Statement of Internal Control**

**31st March 2006**

### **Review of effectiveness**

Dunstable Town Council has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the control exercised by members and the work of internal audit and the executive managers within the council who have responsibility for the development and maintenance of the internal control environment. It is further enhanced by reports and comments made by the external auditors and other review agencies and inspectorates.

### **Significant Internal Control Issues**

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

On the recommendation of the Internal Auditor, the council has increased its fidelity guarantee cover and cover against loss of earnings.

### **Approval of Statement**

This statement was approved at a meeting of the council's Finance & General Purposes Committee held on 19th June 2006 when authority was given for the Chairman and the Town Clerk to sign.

Councillor Mrs S A Newton  
**Chairman - Finance and General Purposes Committee**

Mr R Walden DMA, HNC Business Studies  
**Town Clerk**

Date:

Date:

# **Dunstable Town Council**

## **Auditors' Report to the Council**

### **on the Accounts for the Year ended 31st March 2006**

We have audited the statements of accounts on pages 9 to 27, which have been prepared in accordance with the accounting policies applicable to local councils as set out on page 13 to 15.

This report is made solely to the members of Dunstable Town Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement & Responsibilities of Auditors and of Audited Bodies, prepared by the Audit Commission. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the town council for our audit work, for this report, or for the opinion we have formed.

#### **Respective Responsibilities of the Responsible Financial Officer and Auditors**

As described on page 4 the R.F.O. is responsible for the preparation of the statements of accounts in accordance with the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2005. Our responsibilities as independent auditor are established by statute, the Code of Audit Practice issued by the Audit Commission and our profession's ethical guidance.

We report to you our opinion as to whether the statements of accounts present fairly the financial position of the council and its Income and Expenditure for the year.

We review whether the statement on internal control on pages 5 to 6 reflects compliance with the requirements of CIPFA's guidance 'The Statement on Internal Control in Local Government: Meeting the Requirements of the Accounts and Audit Regulations 2003' published on 2 April 2004. We report if it does not meet the requirements specified by CIPFA or if the statement is misleading or inconsistent with other information we are aware of from our audit of the financial statements. We are not required to consider, nor have we considered whether the Statement of Internal Control covers all risks and controls. We are also not required to form an opinion on the effectiveness of the council's corporate governance procedures. Our review was not performed for any purpose connected with any specific transaction and should not be relied upon for any such purpose.

We read the other information published with the statement of accounts and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the statement of accounts.

#### **Basis of Opinion**

We carried out our audit in accordance with the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission which requires compliance with the relevant United Kingdom auditing standards.

Our audit included examination, on a test basis, of evidence relevant to the amounts and disclosures in the statements of accounts. It also included an assessment of the significant estimates and judgements made by the council in the preparation of the statements of accounts and of whether the accounting policies are appropriate to the authority's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the statements of accounts are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the statements of accounts.

**Dunstable Town Council**

**Auditors' Report to the Council**

**on the Accounts for the Year ended 31st March 2006**

**Opinion**

In our opinion the statements of accounts present fairly the financial position of Dunstable Town Council at 31st March 2006 and its Income and Expenditure for the year then ended.

**Certificate**

We certify that we have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

**Signature:**

**Date:**

**Dunstable Town Council**

**Consolidated Revenue Account**

**for the Year ended 31st March 2006**

	Notes	2006 £	2006 £	2006 £	2005 £
		Gross Expenditure	Income	Net Expenditure	Net Expenditure
<b>CULTURAL &amp; RELATED SERVICES</b>					
Cultural & Heritage		331,503	(146,591)	184,912	148,340
Recreation & Sport		424,231	(85,872)	338,359	297,348
Open Spaces		287,350	(41,800)	245,550	192,738
<b>ENVIRONMENTAL SERVICES</b>					
Cemetery, Cremation & Mortuary		198,307	(82,828)	115,479	106,118
<b>PLANNING &amp; DEVELOPMENT SERVICES</b>					
Community Development		117,863	(39,859)	78,004	53,777
<b>OTHER SERVICES</b>					
Other Services to the Public		-	(140,000)	(140,000)	(60,000)
Investment Properties		201,262	(91,127)	110,135	42,104
<b>CENTRAL SERVICES</b>					
Corporate Management		215,776	(30,000)	185,776	132,096
Democratic Representation & Management		196,209	(14,035)	182,174	120,623
Civic Expenses		32,823	(2,075)	30,748	33,292
<b>NET COST OF SERVICES</b>		<u>2,005,324</u>	<u>(674,187)</u>	<u>1,331,137</u>	<u>1,066,436</u>
Transfer from Asset Management Revenue Account	2			(70,505)	(14)
Interest and Investment Income	3			(42,070)	(52,896)
<b>NET OPERATING EXPENDITURE</b>				<u>1,218,562</u>	<u>1,013,526</u>
Transfer from/to Earmarked Reserves					
Special Projects	22			(34,839)	60,322
Asset Replacement Reserves	22			2,695	(7,323)
Other Earmarked Reserves	22			(12,025)	37,019
Transfer from Capital Receipts Reserve				(144,232)	-
Transfer to Capital Financing Account					
Financing Capital Expenditure	21			281,916	108,705
Reversal of Depreciation	21			(93,978)	(58,324)
Deferred grants released	21			8,141	-
Loan Repayments	21			42,038	24,483
<b>AMOUNT TO BE MET FROM PRECEPT</b>				<u>1,268,278</u>	<u>1,178,408</u>
Precept on District Council				(1,309,367)	(1,211,283)
<b>(SURPLUS) FOR YEAR</b>				<u>(41,089)</u>	<u>(32,875)</u>
<b>GENERAL RESERVE</b>					
General Reserve Balance Brought Forward				160,710	127,835
Surplus for Year				41,089	32,875
<b>General Reserve Balance Carried Forward</b>				<u>201,799</u>	<u>160,710</u>

*The notes on pages 13 to 27 form part of these accounts.*

**Dunstable Town Council**

**Balance Sheet**

**as at 31st March 2006**

	Notes	2006 £	2006 £	2005 £
<b>Fixed Assets</b>				
Tangible fixed assets	12		3,554,158	1,952,840
<b>Current Assets</b>				
Stock		6,483		-
Debtors	15	172,460		207,413
Cash at Bank and in hand		948,569		1,387,052
		<hr/>		<hr/>
		1,127,512		1,594,465
<b>Current Liabilities</b>				
Creditors and accrued expenses	16	(433,375)		(391,186)
		<hr/>		<hr/>
<b>Net Current Assets</b>			694,137	1,203,279
			<hr/>	<hr/>
<b>Total Assets Less Current Liabilities</b>			4,248,295	3,156,119
<b>Long Term Liabilities</b>				
Creditors - More Than One Year	18		(1,344,191)	(901,592)
			<hr/>	<hr/>
			2,904,104	2,254,527
			<hr/> <hr/>	<hr/> <hr/>
<b>Capital and Reserves</b>				
Fixed Asset Restatement Account	20		635,978	652,805
Capital Financing Account	21		515,750	277,633
Deferred Grants	19		1,077,391	646,022
Capital Receipts Reserve			-	-
Earmarked Reserves	22		473,186	517,357
General Reserve			201,799	160,710
			<hr/>	<hr/>
			2,904,104	2,254,527
			<hr/> <hr/>	<hr/> <hr/>

These accounts have been approved by the Council.

.....  
Councillor Mrs S A Newton  
**Chairman - Finance and General Purposes Committee**

Date:.....

.....  
Mr R Walden DMA, HNC Business Studies  
**Responsible Financial Officer**

Date:.....

# Dunstable Town Council

## Cash Flow Statement

for the Year ended 31st March 2006

	2006	2006	2005
	£	£	(Restated) £
<b>REVENUE ACTIVITIES</b>			
<i>Cash outflows</i>			
Paid to and on behalf of employees	(896,983)		(778,226)
Other operating payments	(852,623)		(637,787)
		(1,749,606)	(1,416,013)
<i>Cash inflows</i>			
Precept on District Council	1,309,367		1,211,283
Cash received for services	605,558		388,605
Agency receipts	50,880		50,881
		1,965,805	1,650,769
<b>Net Cash Inflow from Revenue Activities</b>	25	216,199	234,756
<b>SERVICING OF FINANCE</b>			
<i>Cash outflows</i>			
Interest paid	(45,940)		(23,208)
Interest element of Finance Lease\HP instalments	(420)		(407)
<i>Cash inflows</i>			
Interest received	42,070		52,896
<b>Net Cash Outflow/Inflow from Servicing of Finance</b>		(4,290)	29,281
<b>CAPITAL ACTIVITIES</b>			
<i>Cash outflows</i>			
Purchase of fixed assets	(1,709,935)		(952,368)
<i>Cash inflows</i>			
Sale of fixed assets	144,232		-
Capital grant received	457,350		547,450
<b>Net Cash Outflow from Capital Activities</b>		(1,108,353)	(404,918)
<b>Net Cash Outflow before Financing</b>		(896,444)	(140,881)
<b>FINANCING AND LIQUID RESOURCES</b>			
<i>Cash outflows</i>			
Loan repayments made		(39,872)	(22,318)
Hire Purchase and Lease repayments made		(2,165)	(2,165)
<i>Cash inflows</i>			
New loans raised		500,000	338,237
<b>Net cash inflow from financing and liquid resources</b>		457,963	313,754
<b>(Decrease)/Increase in cash</b>	26	(438,481)	172,873

## Dunstable Town Council

### Statement of Total Movement in Reserves

for the year ended 31st March 2006

	Notes	2006 £	2006 £	2005 £
Surplus for the year		41,089		32,875
Adjust: Movements on specific revenue reserves	22	(44,171)		90,020
<b>Total decrease/increase in revenue resources</b>			(3,082)	122,895
Decrease in useable capital receipts		-		-
<b>Total decrease in realised capital resources</b>	28		-	-
Losses on revaluation of fixed assets		-		-
Impairment losses on fixed assets		-		-
<b>Total decrease in unrealised value of fixed assets</b>	29		-	-
<b>Value of assets sold, disposed of or decommissioned</b>	30		(16,827)	(1)
Capital receipts set aside		81,950		-
Revenue resources set aside		148,026		74,864
Capital grants applied in year	31	439,510		646,022
<b>Total increase in amount set aside to finance capital investment</b>	31		669,486	720,886
<b>Total increase in reserves for the year</b>			649,577	843,780

# **Dunstable Town Council**

## **Notes to the Accounts**

**31st March 2006**

### **1 Statement of Accounting Policies**

#### ***Accounting Convention***

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in Great Britain (the code), which is recognised by statute as representing proper accounting practices. These practices are further set out in the Statement of Recommended Practice on Local Authority Accounting in Great Britain (the SORP), together with the Best Value Code of Accounting Practice (BVACOP) where applicable.

The accounts have been prepared under the historical cost convention as modified by the revaluation of land and buildings.

It is also a requirement of the code that service revenue accounts include capital charges for all fixed assets used in the delivery of services (See Note 2).

#### ***Fixed Assets***

All expenditure on the acquisition, creation or enhancement of fixed assets 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. Fixed assets are valued on the basis recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA) and in accordance with the statements of asset valuation principles and guidance notes issued by the Royal Institution of Chartered Surveyors (RICS). The closing balances are stated on the following basis;

land and buildings are included in the balance sheet at Depreciated Replacement Cost (DRC). The DRC basis of valuation requires an estimate of the value of land in its existing use, together with the current replacement cost of the building and its external works, from which appropriate deductions have been made to reflect the age, condition, economic, functional and environmental obsolescence and other locational factors which might result in the existing building being worth less than a new replacement building.

land, operational properties and other operational assets are included in the balance sheet at the lower of net current replacement cost and net realisable value

certain community assets are the subject of restrictive covenants as to their use and/or future disposal. Such assets are therefore considered to have no appreciable realisable value and are included at a nominal value only.

The surplus or deficit arising on periodic revaluations of fixed assets has been credited or debited to the Fixed Asset Restatement Account. Subsequent revaluations of fixed assets are planned at five yearly intervals, although material changes to asset valuations will be adjusted in the interim period, should they occur.

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

#### ***Impairment***

The council is required to carry out a review of the condition of its assets annually to ensure that the values as reflected in the accounts are not materially overstated. Any material overstatement is corrected by additional provisions for impairment of value as required.

No such provisions are considered necessary for the year.

# **Dunstable Town Council**

## **Notes to the Accounts**

**31st March 2006**

### ***Depreciation Policy***

Buildings are depreciated over the shorter of 50 years or the anticipated remaining useful lives on a straight line basis (subject to revaluations as stated above)

Vehicles, plant, equipment and furniture are depreciated over 4 to 10 years at 10% to 25% per annum straight line.

Play equipment is depreciated over 10 years at 10% per annum straight line.

Infrastructure assets are depreciated over 5 to 45 years at 2.25% to 20% per annum straight line.

Community assets are not depreciated with the exception of the Market Cross, which is being depreciated over 50 years at 2% per annum straight line.

### ***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. Heritage Lottery Fund (HLF), 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 code. 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 insurance premiums and regular quarterly 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.

### ***Stocks and Work In Progress***

TIC stocks etc. held are valued at cost. All other stocks have been treated as consumed because their value was not material.

### ***External Loan Repayments***

Details of the council's external borrowings are shown at note 18.

### ***Hire Purchase and Leases***

Assets acquired under Hire Purchase are capitalised at acquisition and the resultant liability accounted for. Interest on such financing is equalised over the duration of the agreement.

### ***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 22.

The introduction of the system of capital accounting has required the establishment of two accounts in the consolidated balance sheet:

the Fixed Asset Restatement Account, which represents principally the balance of the surpluses or deficits arising on the periodic revaluation of fixed assets, and

the Capital Financing Account, which represents revenue or capital resources applied to finance expenditure of a capital nature or for the repayment of external loans and the reversal of depreciation to ensure it does not impact on the amount to be met from precept.

# **Dunstable Town Council**

## **Notes to the Accounts**

**31st March 2006**

### ***Interest Income***

All interest receipts are credited initially to general funds.

Interest is reallocated to certain reserves based on the level of their fund balance.

### ***Costs of Support Services***

The costs of management and administration have been apportioned to all services on an appropriate and consistent basis. This apportionment, and the relevant service analysis, has been revised to reflect the requirements of the Best Value Accounting Code of Practice (BVACOP).

### ***Pensions***

The pension costs that are charged to the council's accounts in respect of its employees are equal to the contributions paid to the funded pension scheme for these 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 at 31st March 2007 and any change in contribution rates as a result of that valuation will take effect from 1st April 2008.

# Dunstable Town Council

## Notes to the Accounts

31st March 2006

<b>2</b>	<b>Asset Management Revenue Account</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	<b>Income</b>		
	Capital Charges	(202,702)	(81,953)
	<b>Expenditure</b>		
	Provision for Depreciation	93,978	58,324
	Deferred grants released	(8,141)	-
	External Interest Charges - Loans	45,940	23,208
	External Interest Charges - Lease/H.P.	420	407
		<hr/> <b>(70,505)</b>	<hr/> <b>(14)</b>

The asset management revenue account is maintained to convert the net cost of services (which include notional capital charges) into net operating expenditure (which is the actual cost of providing services). It does this by replacing notional interest charges, intended to represent the cost of tying up resources in assets, with actual external loan repayments.

<b>3</b>	<b>Interest and Investment Income</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	Interest Income - General Funds	28,885	25,635
	Interest Income - Earmarked Funds	13,185	27,261
		<hr/> <b>42,070</b>	<hr/> <b>52,896</b>

### **4 Agency Work**

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

<b>Commissioning Authority</b>	<b>and Nature of Work</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	South Beds D C - Grounds and Highways	19,013	18,468
	Beds C C - Youth Service	16,000	16,000
	Beds C C & South Beds D C- Town Centre Highways	15,867	16,413
		<hr/> <b>50,880</b>	<hr/> <b>50,881</b>

Final claims for the year have been made on all agency contracts.

During the year the Council commissioned no agency work to be performed by other authorities.

### **5 Related Party Transactions**

The council entered into no material transactions with related parties during the year.

# Dunstable Town Council

## Notes to the Accounts

31st March 2006

<b>6 Audit Fees</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
The council is required to report and disclose the cost of services provided by its external auditors. These may be summarised as follows:		
Fees for Statutory Audit Services	8,500	8,500
<b>Total fees</b>	<b>8,500</b>	<b>8,500</b>

## **7 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:

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Recruitment Advertising	4,026	4,324
Other Advertising	1,917	6,689
Publicity	4,737	7,200
Newsletter	11,238	11,198
	<b>21,918</b>	<b>29,411</b>

## **8 S.137 Expenditure**

Section 137 of the Local Government Act 1972 (as amended) enables the council to spend up to the product of £5.30 (Year Ended 31st March 2005 - £5.00) 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.

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
The total amount available for this purpose was	139,056	129,965
Expenditure was incurred for the following purposes:		
Christmas Lights	16,654	14,124
Additional Window Cleaning at Library	-	270
Railway Campaign	7,345	30,691
Grants and Donations	13,620	13,365
	<b>37,619</b>	<b>58,450</b>

It should be noted that grants to bodies such as the Citizens Advice Bureau are made under other specific legal powers and so are not included in the above figures.

# Dunstable Town Council

## Notes to the Accounts

31st March 2006

### 9 Members' Allowances

2006  
£

2005  
£

Members of Council have been paid the following allowances for the year:

Town Mayors Allowance

3,050

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2,963

3,050

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2,963

Other than the Town Mayor none of the total of 21 members claimed allowances to which they were entitled.

### 10 Employees

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

2006  
Number

2005  
Number

Full-time

27

25

Part-time

11

8

Temporary

4

1

---

42

---

34

---

---

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

The number of officers whose remuneration, excluding pension contributions, was £50,000 or more, in bands of £10,000 were:

Employees between £60,000 and £70,000

1

1

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### 11 Pension Costs

The council participates in the Bedfordshire County Council Pension Fund. The Bedfordshire 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 31st March 2006 was £3,262 (2005 - £83,278). There were no outstanding contributions at the balance sheet date.

The most recent actuarial valuation was carried out as at 31st March 2004, and the council's contribution rate is confirmed as being 17.30% of employees' pensionable pay with effect from 1st April 2006 (year ended 31st March 2006 - 17.30%).

In addition the council is responsible for all pension payments relating to added years benefits it has awarded, together with the related increases. In 2005/2006 these amounted to £8,461 representing 0.94% of pensionable pay. The council anticipates an increase in this liability in 2007/2008 and has made provision for it in its 5 year financial plan.

A new accounting standard, Financial Reporting Standard 17: "Retirement Benefits" has been introduced.

The council has not made the full disclosures in respect of its pension scheme as required by FRS 17 in view of the provisions of paragraph 9(b) thereof, which permits the council to account for pension costs on the basis of contributions actually payable to the scheme, and payments to pensioners, during the year. This provision has been invoked because it is felt that the current method of disclosure better reflects the true nature of transactions affecting the scheme.

# Dunstable Town Council

## Notes to the Accounts

**31st March 2006**

### 12 Tangible Fixed Assets

	<b>Operational Freehold Land and Buildings</b>	<b>Vehicles and Equipment</b>	<b>Infra- structure Assets</b>	<b>Community Assets</b>	<b>Other</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1st April 2005	696,002	315,131	43,494	145,025	989,056	2,188,708
Additions	2,509,961	134,739	-	56,478	(989,056)	1,712,122
Disposals	(22,143)	-	-	-	-	(22,143)
	<u>3,183,820</u>	<u>449,870</u>	<u>43,494</u>	<u>201,503</u>	<u>-</u>	<u>3,878,687</u>
<b>Depreciation</b>						
At 1st April 2005	(71,392)	(144,390)	(8,485)	(11,600)	-	(235,867)
Charged for the year	(37,457)	(51,430)	(2,191)	(2,900)	-	(93,978)
Eliminated on disposal	5,316	-	-	-	-	5,316
	<u>(103,533)</u>	<u>(195,820)</u>	<u>(10,676)</u>	<u>(14,500)</u>	<u>-</u>	<u>(324,529)</u>
<b>Net Book Value</b>						
At 31st March 2006	<u>3,080,287</u>	<u>254,050</u>	<u>32,818</u>	<u>187,003</u>	<u>-</u>	<u>3,554,158</u>
At 31st March 2005	<u>624,610</u>	<u>170,741</u>	<u>35,009</u>	<u>133,425</u>	<u>989,056</u>	<u>1,952,841</u>

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

#### **Fixed Asset Valuation**

The freehold and leasehold properties which comprise the council's property have been valued as at 31st March 2002 by external independent valuers, the Valuation Office Agency. Valuations have been made on the basis set out in the Statement of Accounting Policies (Note 1), except that not all properties were inspected. This was neither practical nor considered by the valuer to be necessary for the purpose of the valuation. Plant and machinery that form fixtures to the building are included in the valuation of the building.

# Dunstable Town Council

## Notes to the Accounts

31st March 2006

### 13 Financing of Capital Expenditure

2006  
£

2005  
£

The following capital expenditure during the year:

Fixed Assets purchased	1,712,122	1,034,048
	<hr/>	<hr/>
	1,712,122	1,034,048
	<hr/>	<hr/>

was financed by:

Capital Receipts	81,950	-
Capital Grants	439,510	646,022
Loan Proceeds	990,696	279,321
Revenue:		
from Capital Projects Reserve	107,865	42,638
from Equipment Replacement Reserve	28,848	30,784
Precept and Revenue Income	63,253	35,283
	<hr/>	<hr/>
	1,712,122	1,034,048
	<hr/>	<hr/>

### 14 Information on Assets Held

Fixed assets owned by the council include the following:

#### **Operational Land and Buildings**

Council Offices - Grove House  
Priory House Heritage Centre  
Pavilions - at 2 recreation grounds  
Community Centres - 4

#### **Vehicles and Equipment**

Christmas Lights  
Light Van - 3  
Trucks - 2  
Tractor/Diggers - 3  
Sundry grounds maintenance equipment  
Sundry office equipment

#### **Infrastructure Assets**

Cemetery Roads  
Street furniture

#### **Community Assets**

2 Environmental Parks  
Market Cross  
Dunstable Cemetery  
Allotments - 6  
Recreation grounds and playing fields - 11  
BMX Facility  
Children's play areas - 4  
Performance Area

# Dunstable Town Council

## Notes to the Accounts

31st March 2006

<b>15</b>	<b>Debtors</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	Trade Debtors	68,887	51,138
	V A T Recoverable	22,841	56,619
	Prepayments and Accrued Income	-	1,084
	Grant Debtors	80,732	98,572
		<hr/>	<hr/>
		172,460	207,413
		<hr/> <hr/>	<hr/> <hr/>

<b>16</b>	<b>Creditors and Accrued Expenses</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	Loans repayable within one year	48,347	31,539
	H P and Lease Instalments due within one year	722	2,165
	Trade Creditors	44,856	66,284
	Other Creditors	255,583	209,518
	Retention Payable	17,026	4,358
	Capital Creditors	-	77,322
	Capital Accruals	66,841	-
		<hr/>	<hr/>
		433,375	391,186
		<hr/> <hr/>	<hr/> <hr/>

<b>17</b>	<b>Financial Commitments under Operating Leases</b>	<b>2006</b>	<b>2005</b>
		<b>£</b>	<b>£</b>
	The council had annual commitments under its lease of Grove House, Dunstable as follows:		
	Obligations expiring within one year	-	-
	Obligations expiring between two and five years	-	-
	Obligations expiring after five years	-	47,027
		<hr/>	<hr/>
		-	47,027
		<hr/> <hr/>	<hr/> <hr/>

This lease cost was partially offset by lease income from tenants totalling £23,356 in the year ended 31st March 2005. The council acquired the freehold during 2005/6.

# Dunstable Town Council

## Notes to the Accounts

31st March 2006

### 18 Long Term Liabilities

	2006	2005
	£	£
PWLB Loans	1,392,538	932,410
H.P. & Lease Creditors	722	2,886
	<hr/>	<hr/>
	1,393,260	935,296
	<hr/>	<hr/>
	2006	2005
	£	£

The above loans are repayable as follows:

Within one year	49,069	33,704
From one to two years	48,496	32,402
From two to five years	146,470	95,971
From five to ten years	247,977	163,607
Over ten years	901,248	609,612
	<hr/>	<hr/>
<b>Total Loan Commitment</b>	1,393,260	935,296
	<hr/>	<hr/>
Less: Repayable within one year	(49,069)	(33,704)
	<hr/>	<hr/>
	1,344,191	901,592
	<hr/>	<hr/>

### 19 Deferred Grants

	2006	2005
	£	£
Balance brought forward	646,022	-
Grants Received in Year	439,510	646,022
Released to offset cost/depreciation	(8,141)	-
	<hr/>	<hr/>
	1,077,391	646,022
	<hr/>	<hr/>

Capital Grants are accounted for on an accruals basis and grants received have been credited to Deferred Grants Account. Amounts are released from 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.

### 20 Fixed Asset Restatement Account

	2006	2005
	£	£
Balance at 1 April 2005	652,805	652,806
Disposal of fixed assets	(22,143)	(35,718)
Depreciation eliminated on disposals	5,316	35,717
Impairment provisions	-	-
	<hr/>	<hr/>
	635,978	652,805
	<hr/>	<hr/>

The system of accounting for local councils requires the establishment of a Fixed Asset Restatement Reserve. The balance on this reserve represents the value of assets included in the Balance Sheet for the first time in 1996/97, together with subsequent revaluations and disposals. This reserve will increase or reduce as and when assets are revalued or disposed of.

# Dunstable Town Council

## Notes to the Accounts

31st March 2006

<b>21 Capital Financing Account</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Balance at 1 April 2005	277,633	202,769
Financing capital expenditure in the year		
- using capital receipts	81,950	-
- using revenue balances	199,966	108,705
Reversal of depreciation	(93,978)	(58,324)
Deferred grants released	8,141	-
	<hr/>	<hr/>
Loan Repayments	473,712	253,150
Lease/HP Repayments	39,873	22,318
	2,165	2,165
	<hr/>	<hr/>
<b>Balance at 31 March 2006</b>	<b>515,750</b>	<b>277,633</b>

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 on the amount to be met from precept. It does not represent a reserve which the council can use to support future expenditure.

## **22 Earmarked Reserves**

	<b>Balance at 1/4/2005</b>	<b>Contribution to reserve</b>	<b>Contribution from reserve</b>	<b>Balance at 31/3/2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Capital Projects Reserves	339,901	190,282	(225,121)	305,062
Vehicle and Equipment Reserve	3,166	31,543	(28,848)	5,861
Other Earmarked Reserves	174,288	43,822	(55,847)	162,263
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Earmarked Reserves</b>	<b>517,355</b>	<b>265,647</b>	<b>(309,816)</b>	<b>473,186</b>

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 Vehicle and Equipment Reserve is maintained to fund the purchase of vehicles and other equipment which will require periodic replacement. They are credited with regular budgetary provisions, together with interest on the fund balance, calculated to be sufficient for replacement as required.

The Other Earmarked Reserves are credited with amounts set aside from revenue to fund specific known commitments of the council.

# Dunstable Town Council

## Notes to the Accounts

### 31st March 2006

#### 23 Capital Commitments

	2006	2005
	£	£

The council was committed to the following capital expenditure at 31st March  
Refurbishment and Conversion of Priory House

	-	563,810
--	---	---------

This acquisition, plus any subsequent redevelopment and refurbishment expenditure, is being funded by a combination of loan funds and grants.

The council had no other capital commitments at 31st March 2006 not otherwise provided for in these accounts .

#### 24 Contingent Liabilities

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

#### 25 Reconciliation of Revenue Cash Flow

	2006	2005
	£	£

Surplus for the year	41,089	32,875
Add\ (Deduct)		
Interest paid	46,360	23,615
Contributions (from)/to provisions and reserves	(44,169)	90,018
Revenue contributions to capital	179,722	133,188
Interest and Investment Income	(42,070)	(52,896)
(Increase) in stock held	(6,483)	-
Decrease/(Increase) in debtors	17,113	(15,016)
Increase in creditors	24,637	22,972

#### Revenue activities net cash inflow

	216,199	234,756
--	---------	---------

#### 26 Movement in Cash

	2006	2005
	£	£

#### Balances at 1st April

Cash with accounting officers	279	261
Cash at bank	1,386,773	1,213,916
	1,387,052	1,214,177

#### Balances at 31st March

Cash with accounting officers	275	279
Cash at bank	948,294	1,386,773
	948,569	1,387,052

#### Net cash (outflow)/inflow

	(438,483)	172,875
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# Dunstable Town Council

## Notes to the Accounts

31st March 2006

<b>27</b>	<b>Reconciliation of Net Funds/Debt</b>	<b>2006</b>	<b>2005</b>	
		<b>£</b>	<b>£</b>	
	Increase in cash in the year	(438,483)	172,875	
	Cash inflow from new borrowings	(500,000)	(338,237)	
	Cash outflow from repayment of debt	42,037	24,483	
	<b>Net cashflow arising from changes in debt</b>	<b>(457,963)</b>	<b>(313,754)</b>	
	Movement in net debt in the year	(896,446)	(140,879)	
	Cash at Bank and In-hand	1,387,052	1,214,177	
	Total borrowings	(935,296)	(621,543)	
	<b>Net Funds at 1st April</b>	<b>451,756</b>	<b>592,634</b>	
	Cash at Bank and In-hand	948,569	1,387,052	
	Total borrowings	(1,393,260)	(935,296)	
	<b>Net Debt/Funds at 31st March</b>	<b>(444,691)</b>	<b>451,756</b>	
<b>28</b>	<b>Movement in realised capital resources</b>	<b>2006</b>	<b>2005</b>	
		<b>£</b>	<b>£</b>	
		Usable capital receipts	Unapplied capital grants etc	Usable capital receipts. and unapplied capital grants etc
	Amounts receivable in year	144,232	439,510	646,022
	Amounts applied to finance new capital investment	(81,950)	(439,510)	(646,022)
	Amounts applied to finance capital grants	(62,282)	-	-
		-	-	-
	Brought forward 1st April 2005	-	-	-
	Carried forward 31st March 2006	-	-	-

**Dunstable Town Council**

**Notes to the Accounts**

**31st March 2006**

**29 Movement in unrealised value of fixed assets**

**2006                      2005**  
**£                              £**

Fixed Asset    Fixed Asset  
Restatement   Restatement  
Account            Account

---

Gains on revaluation  
Impairment losses

-                      -  
-                      -  

---

-                      -

**30 Value of assets sold, disposed of or decommissioned**

Amounts written off fixed asset balances for disposals  
    Cost or valuation  
    Less: Depreciation provided

(22,143)            (35,718)  
5,316                35,717

---

(16,827)            (1)

---

Total movement on account in the year

(16,827)            (1)

Brought forward 1st April 2005

652,805            652,806

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Carried forward 31st March 2006

635,978            652,805

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# Dunstable Town Council

## Notes to the Accounts

31st March 2006

**31 Movement in amount set aside to finance capital investment**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
	Capital Financing Account	Capital Financing Account
Capital receipts set aside	81,950	-
Revenue resources set aside		
capital expenditure set aside from revenue	199,966	108,705
provision for loan repayments	42,038	24,483
reconciling amount re depreciation	(93,978)	(58,324)
Total revenue resources set aside	148,026	74,864
Deferred grants released to offset depreciation	8,141	-
Total movement on account for the year	238,117	74,864
Brought forward 1st April 2005	277,633	202,769
Carried forward 31st March 2006	515,750	277,633
	Capital Grants Deferred	Capital Grants Deferred
Grants applied during the year	439,510	646,022
Brought forward 1st April 2005	646,022	-
	-	-
	1,085,532	646,022
Deferred grants released to offset depreciation	8,141	-
Carried forward 31st March 2006	1,077,391	646,022