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**Statement of Accounts
for the Year Ended 31st March 2005
Explanatory Foreword**

The Council's statutory accounts and financial statements for the year 2004/2005 are set out on pages 1 to 24 of this document, which have been subject to an independent Audit opinion, shown on page 25. They consist of :-

1. Statement of Accounting Policies

Pages 2 to 7 explain the policies adopted in preparing the Council's accounts.

2. Consolidated Revenue Account

Page 8 shows the Consolidated Revenue account - the Council's main revenue account, covering income and expenditure on all services. Following the statement are notes providing further information and explanations on the more important items in the revenue accounts.

3. Consolidated Balance Sheet

Page 14 shows the Consolidated Balance Sheet - which sets out the financial position of the Council at 31st March 2005. Following the statement are notes providing further information and explanations on the more important items in the Balance Sheet.

4. Statement of Total Movements in Reserves

Page 20 shows a summary of the transactions on the Revenue and Capital reserves during the year.

5. Consolidated Cash Flow Statement

Page 21 shows the Consolidated Cash Flow Statement - which summarises inflows and outflows of cash arising from revenue and capital transactions with third parties. Following the statement are notes providing further information and explanations on the more important items in the cash flow statement.

6. Statement of Responsibilities for the Statement of Accounts

Page 24 summarises the responsibilities of the Authority and the Financial Officer, relating to the making of proper arrangements for the financial affairs of Shildon Town Council and the keeping of accounting records.

The statements of accounts are intended to present fairly the financial transactions of the Council during the year ended 31st March 2005.

The accounts and statements in respect of 2004/2005 have been prepared using the guidance given in the Code of Practice on Local Authority Accounting 2000 together with other legal requirements as contained in various Acts of Parliament, including the Accounts and Audit Regulations 1996.

The preparation of the Final Accounts for 2004/2005 was completed by xxxxxxxxxx 2005. They were made available for public inspection during xxxxxxxx 2005.

M.Watson
TOWN CLERK

**Statement of Accounts
for the Year Ended 31st March 2005
Statement of Accounting Policies**

General

The Council's accounting policies have been drawn up in line with recommended accounting principles, as specified in the Best Value Code of Practice on Local Authority Accounting (BVACOP) and accompanying Guidance Notes for Practitioners, issued by the Chartered Institute of Public Finance and Accountancy (C.I.P.F.A.). The Institute's guidance note on the application of Statements of Standard Accounting Practice (S.S.A.Ps.), Statements of Recommended Practice (S.O.R.Ps.) and Financial Reporting Standards (F.R.Ss.) have also been taken into account. The financial statement contained in the Statement of Accounts takes into account the recommended accounting principles wherever possible and any departures from the recommended practice are identified in the following notes.

1. Revenue Accounts

1.1 Income and Expenditure

The Revenue Accounts are maintained on an accruals basis, in accordance with the Code of Accounting Practice, the S.S.A.Ps, S.O.R.Ps and F.R.S.s. Income and Expenditure are accounted for in the year in which they arise by the creation of debtors and creditors, including estimates where appropriate. Debtors are included to represent the value of goods supplied or services rendered by the Council during the financial year and creditors are included to represent goods received or services provided to the Council during that period.

1.2 Overheads

Overheads, which include the cost of management and administration, have been, where applicable, allocated to services on a apportionment basis in compliance with BVACOP.

1.3 Interest

All surplus capital and revenue monies are externally invested. All interest receipts are credited to the General Fund.

1.4 Pensions

The pension costs, which are charged to the Council's accounts in respect of its employees, are equal to the contributions payable to the funded pension scheme.

The contributions have been determined on the basis of rates that are set to meet 100% of of the Superannuation fund, in accordance with the relevant Government regulations.

The Annual Report of Durham Superannuation Fund is available from the County Treasurer, County Council, County Hall, Durham, DH1 5UE.

1.5 External loan repayments

The Council has long-term borrowings from the Public Works Loan Board, Newcastle Breweries Limited and the Co-operative Bank plc. Consequently external loan repayments were made in the year.

1.6 Post Balance Sheet Events

- (a) Where a material post balance sheet event occurs which:
 - Provides additional evidence relating to conditions existing at the balance sheet date; or
 - Indicates that application of the going concern concept to a material part of the authority is not appropriate;
 - Changes are made in the amounts to be included in the Statement of Accounts
- (b) Any occurrence of a material post balance sheet event which concerns conditions which did not exist at the balance sheet date, is disclosed. The disclosure states the nature of the event and, where possible, an estimate of the financial effect of the event.

1.7 Contingent Assets

Contingent assets are not accrued in the accounting statements, but disclosed by way of notes if the inflow of a receipt or economic benefit is probable. The disclosures indicate the nature of the contingent asset and an estimate of its financial effect.

1.8 Contingent Liabilities

Contingent liabilities are not accrued in the accounting statements, but are disclosed by way of notes if there is a possible obligation which may require a payment or a transfer of economic benefits. For each class of contingent liability, the authority will disclose the nature of the contingency, a brief description, an estimate of its financial effect, an indication of the uncertainties relating to the amount of timing of any outflow and the possibility of any reimbursement.

2. Current Assets

2.1 Stocks

Stock has been valued, where material, at the lower of cost and net realisable value. All other stocks have been treated as consumed because their value was not material.

2.2 Investments

There were no investments during the year.

2.3 Provision For Bad and Doubtful Debts

All outstanding debts are reviewed on an ongoing basis and known uncollectable debts are written off. A separate provision is charged to the revenue accounts on an annual basis to reflect the fact that some debts will become doubtful or bad at a future date. The provision is calculated in accordance with BVACOP guidance and is primarily based on the age of the debt outstanding.

3. Other Accounts

3.1 Revenue Provisions

- (a) Provisions are required for any liabilities of uncertain timing or amounts that have been incurred.
- (b) Provisions are required to be recognised when:
The Local authority has a present obligation (legal or constructive) as a result of a past event; It is probable that a transfer of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.
A transfer of economic benefits or other event is regarded as probable if the event is more likely than not to occur. If these conditions are not met, no provision is recognised.
- (c) Provisions are charged to the appropriate revenue account; when payments for expenditure are incurred to which the provision relates they should be charged direct to the provision. The amount recognised as a provision is the best estimate taking into account the risks and uncertainties surrounding the events.
- (d) Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that a transfer of economic benefits will be required to settle the obligation, the provision will be reversed.
- (e) Details of any provisions created will be shown in the notes to the Consolidated Balance Sheet.

3.2 Revenue Reserves

In accordance with BVACOP, amounts set aside for purposes outside the definition of provisions are considered to be reserves and transfers to and from them are distinguished from service expenditure in the Statement of Accounts. No expenditure has been charged directly to any reserve. Details of the balances on the Council's various reserves are shown as a note to the Statement of Total Movement in Reserves (see Note 16 page 20). The major reserves held and a brief description of their purpose is shown below.

- (a) **General Fund Reserve**
Represents an amount available to meet any shortfall between expenditure incurred in the day to day running of the Council and income received. It includes the surplus or deficit on the General Fund for the year.
- (b) **Earmarked Reserves**
These are funds set aside for specific purposes.

4. Capital Accounts

4.1 Fixed Assets

All expenditure on the acquisition, creation or enhancement of fixed assets, has been capitalised in accordance with Part IV of the Local Government and Housing Act 1989. Assets acquired under finance leases and hire agreements are capitalised in the Council's accounts on the basis of their notional capital value as notified by the Lessor or Hirer. Operational assets have been included in the Balance Sheet at the lower of net current replacement cost or net realisable value.

A revaluation of the Council's Land & Buildings was last carried out in the year ended 31 March 2004.

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. The basis of the Valuation of Fixed Assets, shown in the Balance Sheet is shown below:-

Asset Type	Basis of Valuation
Land & buildings:	
Operational	Depreciated Replacement Cost
Non-operational	Open market Value
Infrastructure assets	Current value net of depreciation
Vehicles Plant and Equipment	Historical Cost net of depreciation
Other Community Assets	Historical Cost

4.2 Depreciation

Assets, other than land, are being depreciated over their estimated useful economic lives, in accordance with Financial Reporting Standard 15, which came into effect from the 1st April 2000.

Where depreciation is provided for, assets are being depreciated using the straight line method over the following periods:-

	Years
Plant & vehicles	10
Infrastructure assets	20 or 40
Land & buildings	20 to 50

4.3 Impairment

The value at which each category of assets is included in the balance sheet is reviewed at the end of each reporting period and where there is reason to believe that its value has changed materially in the period, the valuation is adjusted accordingly. Examples of events and changes in circumstances that indicate a reduction in value may have incurred include :-

- (a) a significant decline in a fixed asset's market value during the period;
- (b) evidence of obsolescence or physical damage to the asset;
- (c) a significant adverse change in the statutory or other regulatory environment in which the authority operates; and
- (d) a commitment by the authority to undertake a significant organisation.

4.4 Charges to Revenue

- (a) General Fund Service Revenue Accounts, as defined in CIPFA's Best Value Accounting Code of Practice are charged with a capital charge and, where required, any related impairment loss (due to a clear consumption of economic benefits), for all fixed assets used in the provision of the service.
- (b) Such charges are the annual provision for depreciation, where appropriate, plus a capital financing charge determined by applying a specified notional rate of interest to the net amount at which the asset is included in the balance sheet.
- (c) All expenditure on repairs and maintenance relating to fixed assets is charged to the appropriate service revenue account.
- (d) Finance costs (including interest payable and interest payable under finance leases) and provisions for depreciation are charged to the asset management revenue account.
- (e) Capital charges for the use of fixed assets and relevant impairment losses included in the revenue accounts are credited to the asset management revenue account.
- (f) The amounts set aside from revenue to finance capital expenditure are disclosed separately on the face of the consolidated revenue account, below net operating expenditure.

4.5 Deferred Charges

Deferred charges represent expenditure which may properly be capitalised, but which does not represent tangible fixed assets. They include grants to other persons and bodies for capital expenditure purposes and expenditure on fixed assets which have been sold. These charges are written off annually to revenue.

4.6 Leases

Assets acquired under finance leases and hire purchase contracts are capitalised as fixed assets and are depreciated over their expected useful lives. The capital element of the future obligation to the lessor is included in creditors and the interest element is charged to revenue over the period of the lease.

Rentals payable under operating leases are charged to revenue on an accruals basis.

4.7 Reserves

The Council operates the following capital reserves:-

- (a) **The Fixed Asset Restatement Account**, which represents principally the balance of the surpluses or deficits arising on the periodic revaluation of fixed assets.
- (b) **The Capital Financing Account**, which represents amounts set aside from revenue resources or capital receipts to finance expenditure on fixed assets.

4.8 Government Grants

In line with SSAP4 grants received in respect of capital expenditure are credited to a deferred grants account, and amounts are then released from this account to the consolidated revenue account in line with the depreciation policy of the assets concerned.

5. Changes in Accounting Practice

There were no changes in accounting practice affecting the 2004/2005 Statements.

**Consolidated Revenue Account
for the Year Ended 31st March 2005**

<i>2003/2004</i>		<i>2004/2005</i>			
<i>Net £</i>		<i>Notes</i>	<i>Expenditure £</i>	<i>Income £</i>	<i>Net £</i>
478,668	Recreation and Sport	1	786,056	265,305	520,751
59,993	Cemeteries		72,142	12,951	59,191
11,778	Environmental Health		8,289	77	8,212
9,357	Educational Support		10,476	1,176	9,300
12,465	S137 Expenditure	2	11,254	0	11,254
4,906	Highways, Roads and Transport		6,431	41	6,390
10,271	Economic Development		10,232	0	10,232
8,391	Corporate and Democratic Core	3	38,669	0	38,669
(30,000)	Other Income	5		30,000	(30,000)
565,829	Net Cost of Services		943,549	309,550	633,999
(50,440)	Transfer from Asset Management revenue account	6			(85,196)
(8,568)	Investment Income	7			(9,625)
506,821	Net Operating Expenditure				539,178
(24,149)	Transfers to / (from) Capital Financing Account				(34,329)
482,672	Amount to be met from Precept				504,849
(555,790)	Precept on Town Council				(593,882)
(73,118)	(Surplus) / Deficit for the Year				(89,033)
162,891	Balance at 1st April 2004				236,009
73,118	(Surplus) / Deficit for the Year				89,033
236,009	Balance at 31st March 2005				325,042

Notes to the Consolidated Revenue Account

General Note

Larger Town and Parish Councils are required to conform to the principles laid down in the Best Value Accounting Code of Practice (BVACOP).

BVACOP is intended to compliment the existing code of practice used in Local Authority Accounting (SORP).

Comparability is at the heart of Best Value. BVACOP provides authorities with a consistent basis for comparing performance and for target setting to improve services.

The key feature of BVACOP that affects accounts information is that reporting is based around the total cost which includes all support services and capital charges.

1. Recreation and sport

	Expenditure		Income	
	2003/04 £	2004/05 £	2003/04 £	2004/05 £
Parks, Sports and Playing Fields	258,607	285,696	5,282	4,355
Allotments	201	786	773	797
Coarse fishing	-	-	10	10
Gardens Guild	2,655	2,622	870	685
Recreation	17,692	20,304	656	600
Civic Hall	449,847	476,648	242,743	258,858
	729,002	786,056	250,334	265,305

2. Section 137 Expenditure

Section 137 Local Government Act 1972, which has now been incorporated into section 36 of the Local Government and Housing Act 1988, enables a Town Council to spend up to £5.00 per head of the electoral role of the Authority for the benefit of the people in their area, on activities or projects not specifically authorised by other legal powers.

The Council was permitted to spend £39,500 under this power in 2004/2005. Actual expenditure in the year was as follows :-

	2003/04 £	2004/05 £
Grants to voluntary organisations including CAB	3,244	3,115
Community Safety Officer	2,500	2,500
Xmas decorations	6,721	5,639
	12,465	11,254

3. Corporate and Democratic Core

	2003/04 £	2004/05 £
Corporate Management	7,151	31,599
Democratic Representation and Management	1,240	7,070
	8,391	38,669

4. Publicity Expenditure

	2003/04 £	2004/05 £
Civic Hall advertising	535	701
General advertising	2,091	0
	2,626	701

5. Other Income

	2003/04 £	2004/05 £
Office of the Deputy Prime Minister	30,000	30,000

This income has been allocated to the following projects:

- Purchase of a mechanical digger for the cemetery
- The costs associated with internal and external audit.

6. Transfer from Asset Management Revenue Account

	2003/04 £	2004/05 £
Provision for depreciation	76,947	90,977
External interest payable	36,337	29,537
Releases from grants	(9,707)	(22,686)
Capital asset Charges	(154,017)	(183,024)
	(50,440)	(85,196)

Best Value Accounting code of Practice requires that the cost of services includes notional interest charges (asset financing costs) along with accumulated depreciation.

Whilst the above amounts are included in the Net Cost of Services they are provisions i.e. there is no actual cash movement (real cost).

The total is therefore added back to arrive at a surplus/deficit for the year.

7. Interest and Investment Income

The interest figure arises principally from the investment of revenue balances, including reserves.

8. Pensions

In 2004/2005 the council paid an employer's contribution of £40,804 representing 255% of employees' contributions, into the Durham County Council Superannuation Fund, which provides members with employees' defined benefits related to pay and service. The contribution rate is determined by the funds actuary, based on triennial actuarial valuations, the last valuation being at the 31st March 2004. Under Superannuation regulations contribution rates are set to meet 100% of the overall liabilities of the fund. The latest actuarial valuation showed that from 1st April 2004, the contributions required by the fund from the Council were 255% of the employees contributions.

Further information can be found in the Durham County Superannuation Funds Annual Report, which is available upon request from the County Treasurer, Durham County Council, County Hall, Durham, DH1 5UE.

9. Staffing

During 2004/2005 the Council employed an average of 24 permanent staff and 15 casual staff. All employees are paid in accordance with nationally agreed pay scales.

10. Officers' Emoluments

No employee received a remuneration in 2004/2005, excluding pension contributions, in excess of £50,000.

11. Members' Allowances

Members do not receive allowances in respect of duties carried out within the township. They receive allowances, at agreed national rates, for duties performed outside the township, which are as follows:-

	2003/04 £	2004/05 £
Total allowances paid during the year	1,550	1,600

12. Retirement Benefits

The employees of the Council are participants in the Durham County Pension Fund, a defined benefit scheme which is also a multi - employer scheme. The fund actuaries, Hewitt Bacon and Woodrow, have indicated that it is not possible to identify on a consistent basis the assets and liabilities relating to those smaller bodies within the Fund. The Council is classified within the fund as a small body. In this circumstance FRS 17 requires that the disclosure in the financial statements is made as that for a defined contribution scheme basis.

The contributions to the Fund for the year ended 31 March 2005 were:

	£
Employees	16,002
Employers	40,804

Outstanding contributions at 31st March 2005 amounted to £4,199.

13. Budget Comparison for the Year

	** Budget £	** Actual £
Recreation and Sport	382,677	354,163
Cemeteries	61,272	55,285
Environmental Health	8,664	8,212
Educational Support	- 1,372	- 1,176
Highways	8,564	4,335
Economic Development	9,150	10,232
Corporate & Democratic Representation	26,940	38,669
Section 137	13,395	11,254
External loan repayments	100,892	86,185
Investment and Other Income	- 16,300	- 39,625
	593,882	527,534
Surplus/(Deficit)		66,348
Precept on Town Council	593,882	593,882

**Figures exclude the apportionment of Depreciation and Notional Interest

14. Related Party Transactions

During the year no Council Members, Senior Officers nor their close relations or members of the same households have undertaken any declarable transactions with the Council.

15. Auditors' Remuneration

	2003/04 £	2004/05 £
Auditors' remuneration - Performance work		4,056
Auditors' remuneration - Audit work	6,796	6,629
	6,796	10,685

16. Further Information

Further information about the accounts is available from the Town Clerk, Council Offices, Shildon, Co. Durham DL16 6DG. 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 local press.

Consolidated Balance Sheet as at 31st March 2005

31st March 2004			31st March 2005	
£		Notes	£	£
	Fixed Assets			
285,668	Land and Buildings - Non-operational	1-5		279,076
748,886	Land and Buildings - Operational			724,171
133,033	Vehicles, Plant and Equipment			112,398
467,277	Infrastructure Assets			788,978
250,396	Community Assets			250,393
1,885,260	Net Fixed Assets			2,155,016
	Current Assets			
10,681	Stocks	6	8,356	
15,600	VAT Recoverable		5,459	
55,141	Debtors		135,763	
29,057	Prepayments		10,298	
371,609	Cash in Hand		334,410	
482,088				494,286
	Current Liabilities			
40,384	Creditors	7	55,045	
12,836	Accruals		20,253	
10,210	Sundry Creditors		18,336	
14,126	Finance Leases	8	14,726	
77,556				108,360
404,532	Net Current Assets/(Liabilities)			385,926
2,289,792	Total Assets less Current Liabilities			2,540,942
	Longterm liabilities			
478,123	Long term borrowing	9	435,851	
25,675	Finance Leases	8	12,499	
178,012	Deferred grants	10	429,909	
				878,259
1,607,982	Net Assets			1,662,683
	Financed By			
1,003,220	Fixed Asset Restatement Account	11		1,003,217
235,070	Capital Financing Account	12		200,741
236,009	General Fund	13		315,286
133,683	Capital Receipts Unapplied Fund	14		133,683
-	Earmarked Reserves	15		9,756
1,607,982				1,662,683

Notes to the Consolidated Balance Sheet

1. Fixed Assets

Movements in Fixed Assets during the year were as follows :-

	<i>Land and Buildings</i>		<i>Vehicles, Plant & Equip.</i>	<i>Community Assets</i>	<i>Infrastructure Assets</i>	<i>Total</i>
	<i>Non-Operational</i>	<i>Operational</i>				
	£	£	£	£	£	£
Cost at 1/4/04	297,000	773,600	266,887	250,396	525,174	2,113,057
Additions	-	-	6,310	-	354,427	360,737
Disposals	-	-	-	3	-	3
Cost at 31/3/05	297,000	773,600	273,197	250,393	879,601	2,473,791
Depreciation at 1/4/04	11,332	24,714	133,854	-	57,897	227,797
Depreciation charged in the Year	6,592	24,715	26,945	-	32,726	90,978
Depreciation on Disposals	-	-	-	-	-	-
Depreciation at 31/3/05	17,924	49,429	160,799	-	90,623	318,775
Net Book Value at 31/03/05	279,076	724,171	112,398	250,393	788,978	2,155,016

The net assets employed represent the aggregate of reserves attributable (both revenue and capital) to the Authority, and as such represent the sum of the local taxpayers' equity. This is shown below

	<i>31/3/2003</i>	<i>31/3/2004</i>
	£	£
Total revenue and capital reserves	1,607,982	1,662,683

2. Financing of Capital Expenditure

Capital Expenditure incurred during the year was financed as follows:

	<i>31/3/2004</i>	<i>31/3/2005</i>
	£	£
Finance leases	-	1,800
Grants	182,312	354,427
Revenue	7,535	4,510
	189,847	360,737

3. Information on Assets Held

An analysis of fixed assets held by the Authority is as follows :-

	<i>31/3/2004 Numbers</i>	<i>31/3/2005 Numbers</i>
<i>Operational Land and Buildings</i>		
Council Offices	1	1
Direct Works depot	1	1
Cemetery office	1	1
Civic Hall	1	1
<i>Non-operational Land and Buildings</i>		
Properties let for rent	4	4
Hackworth Park Resthouse	1	1
<i>Vehicles, Plant and Equipment</i>		
Council Offices -		
Office equipment & furniture	various	various
Civic Hall -		
Furniture, kitchen equipment & refurbishment of property	various	various
Direct Works -		
Office, horticultural & gardening equipment, works tools.	various	various
<i>Infrastructure Assets</i>		
Car parks	2	2
Metalled footpaths & roadways	11	11
Play equipment	2	2
Bus shelters	26	26
Public Seats	51	51
Litter bins	17	17
Amenity lights	4	4
Fencing	4	4
Metalled surfaces	3	3
Bowling green	1	1
Hackworth Park improvements	various	various
Skate Park	1	1
<i>Community Assets</i>		
Hackworth Park	1	1
Recreation ground	1	1
Sports pavilions	3	3
Cemetery, extension & office	1	1
Allotments	13	13
Public Conveniences	6	6
Brusselton Reservoir	1	1
Sundry land	various	various

4. Fixed Asset Valuations

Land and Buildings were valued as at the 1st April 2003. The valuation was carried out by independent valuers. The figure stated in the Balance Sheet for Land and Buildings reflects the latest valuation received. The next valuation will be carried out in the Financial Year ending 31st March 2009.

5. Capital Commitments

At 31st March 2005 the Council had entered into capital commitments amounting to £24,854 (2004 - £152,789).

6. Stocks

	31/3/2004 £	31/3/2005 £
Bar stock	8,043	5,830
Food stock	2,638	2,526
	10,681	8,356

7. Creditors

	31/3/2004 £	31/3/2005 £
Trade Creditors	28,594	43,899
PAYE/NIC Creditor	7,557	6,379
Trade Union and other deductions	-	568
Pension Creditor	4,233	4,199
	40,384	55,045

8. Finance Leases

	31/3/2004 £	31/3/2005 £
Balance as at 1st April	55,911	39,801
Finance leases intercepted during year	-	1,800
Interest for year	4,548	3,331
Repaid during year	- 20,658	- 17,707
Balance as at 31st March	39,801	27,225
Due within 1 year	14,126	14,726
Due after 1 year	25,675	12,499
	39,801	27,225

9. Long term borrowing

	Co-op Bank £	Newcastle Breweries £	Public Works Loan Board £	Total £
Balance at 1st April 2004	278,106	15,000	185,017	478,123
Interest for year	14,900	-	11,306	26,206
Repaid during year	- 39,055	- 5,000	- 24,423	- 68,478
Balance at 31st March 2005	253,951	10,000	171,900	435,851

Maturity of loans

	31/3/2004 £	31/3/2004 £
Under 1 year	37,018	37,018
1-2 years	37,713	37,713
2-3 years	38,484	33,484
3-4 years	34,337	34,337
4-5 years	34,782	34,782
5-6 years	36,328	36,328
6-10 years	181,831	157,676
11-15 years	58,464	58,464
15+ years	19,166	6,049
Balance as at 31st March	478,123	435,851

10. Deferred grants

	31/3/2004 £	31/3/2005 £
Balance Brought Forward at 1st April	121,828	178,012
Received in year	65,891	274,583
Transferred to Asset Management Revenue Account	- 9,707	- 22,686
Balance Carried Forward at 31st March	178,012	429,909

11. Fixed Asset Restatement Account

	31/3/2004 £	31/3/2005 £
Balance Brought Forward at 1st April	892,227	1,003,220
Book value of fixed asset disposals	- 1,327	3
Land and Buildings re-valued as at 1st April 2003	112,320	-
Balance Carried Forward at 31st March	1,003,220	1,003,217

12. Capital Financing Account

	31/3/2004 £	31/3/2005 £
Balance Brought Forward 1st April	259,218	235,070
Capital Financing:		
Loan & lease repayments	52,799	56,648
Less:		
Reversal of Depreciation Charges in Year	- 76,947	- 90,977
Balance Carried Forward at 31st March	235,070	200,741

13. General Fund

	31/3/2004 £	31/3/2005 £
Balance Brought Forward 1st April	162,891	236,009
Surplus for the year	73,118	89,033
Transferred to Earmarked Reserves	-	9,756
Balance Carried Forward at 31st March	236,009	315,286

14. Capital Receipts Unapplied Fund

	31/3/2004 £	31/3/2005 £
Balance Brought Forward 1st April	133,658	133,683
Disposal proceeds in the year	25	-
Balance Carried Forward at 31st March	133,683	133,683

15. Earmarked Reserves

	31/3/2004 £	31/3/2005 £
Balance Brought Forward 1st April	-	-
Transferred from general fund	-	9,756
Balance Carried Forward at 31st March	-	9,756

This reserve represents underspends in the year ended 31st March 2005 which have been earmarked for future costs of the same nature.

**16. Statement of Total Movement in Reserves
for the Year ended 31st March 2005**

	note	Balance at 1/4/2004 £	Transfers To £	Transfers From £	Balance at 31/3/2005 £
Fixed Asset Restatement Account	11.	1,003,220	-3	0	1,003,217
Capital Financing Account	12.	235,070	56,648	-90,977	200,741
General Fund	13.	236,009	89,033	-9,756	315,286
Capital Receipts Unapplied Fund	14.	133,683	0	0	133,683
Earmarked Reserves	15.	0	9,756	0	9,756
Total Movement		1,607,982	155,434	-100,733	1,662,683

**Consolidated Cash Flow Statement
for the Year Ended 31st March 2005**

2003/2004			2004/2005		
£	£		Notes	£	£
		Revenue Activities			
		Cash Outflows :			
- 404,127		- Cash paid to or on behalf of employees	1	- 445,795	
- 304,571		- Other operating payments	2	- 262,756	
- 708,698				- 708,551	
555,790		Cash Inflows :			
255,240		- Precept Receipts		593,882	
30,000		- Cash Received for Services	3	287,875	
841,030		- Other Revenue Income		30,000	
	132,332			911,757	
					203,206
		Servicing of Finance			
		Cash Outflows :			
- 36,336		- Interest Paid		- 29,537	
		Cash Inflows :			
9,688	- 26,648	- Interest Received	4	8,940	- 20,597
	105,684				182,609
		Capital Activities			
		Cash Outflows :			
- 189,847		- Purchase of Fixed Assets		- 360,737	
		Cash Inflows :			
62,301		- Capital grants received	5	195,777	
25		- Disposal of Fixed Assets		-	
62,326				195,777	
	- 127,521				- 164,960
		Financing			
		Cash Outflows :			
- 36,689		- Repayment of principal element of loans		- 42,272	
- 16,111		- Repayment of principal element of leases		- 14,376	
- 52,800				- 56,648	
		Cash Inflows :			
-	- 52,800	- New finance leases		1,800	- 54,848
	- 74,637	(Decrease) in Cash			- 37,199

Notes to the Consolidated Cash Flow Statement

1. Cash paid to or on behalf of employees

	31/3/2004 £	31/3/2005 £
Wages cost per wages records	402,622	445,151
Additional pension costs	2,177	
less PAYE/NI creditor c/fwd	- 7,557	- 6,379
less pension creditor c/fwd	- 4,233	- 4,199
less other deductions creditor c/fwd	-	568
plus other deductions creditor b/fwd	523	-
plus pension creditor b/fwd	3,840	4,233
plus PAYE/NIC creditor b/fwd	6,755	7,557
	404,127	445,795

2. Other operating payments

	31/3/2004 £	31/3/2005 £
Expenditure per revenue a/c	895,088	941,687
Less capital costs	- 192,257	- 181,162
Less wages per records	- 404,799	- 445,151
Less prepayments b/fwd	- 529	- 24,909
Plus prepayments c/fwd	24,909	5,464
Plus closing stock	10,681	8,356
Less opening stock	- 12,134	- 10,681
Less trade creditors c/fwd	- 28,594	- 43,899
plus trade creditors b/fwd	32,354	28,594
Less accruals c/fwd	- 12,836	- 20,253
Plus accruals b/fwd	2,898	12,836
Plus sundry creditors b/fwd	-	10,210
Less sundry creditors c/fwd	- 10,210	- 18,336
	304,571	262,756

3. Cash Received for Services

	31/3/2004 £	31/3/2005 £
Income per revenue a/c	291,021	309,550
Other income	- 30,000	- 30,000
less trade debtors c/fwd	- 60	- 1,876
plus trade debtors b/fwd	4,687	60
less VAT recoverable c/fwd	- 15,600	- 5,459
plus VAT recoverable b/fwd	9,382	15,600
plus sundry debtors b/fwd	-	4,190
less sundry debtors c/fwd	- 4,190	- 4,190
	255,240	287,875

4. Interest Received

	31/3/2004 £	31/3/2005 £
Per revenue a/c	8,568	9,625
plus debtor b/fwd	5,268	4,148
less debtor c/fwd	- 4,148	- 4,833
	9,688	8,940

5. Capital grants received

	31/3/2004 £	31/3/2005 £
Per deferred grants a/c	65,891	144,886
less grant debtor c/fwd	- 50,891	-
plus grant debtor b/fwd	47,301	50,891
	62,301	195,777

**Statement of Accounts
for the Year Ended 31st March 2005
Statement of Responsibilities**

The Council's Responsibilities

The Council is required :

To make arrangements for the proper administration of its financial affairs and to appoint one of its officers as Responsible Financial Officer to administer those affairs. The Authority is responsible for the management of its affairs, for securing economic, efficient and effective use of resources and for safeguarding its assets.

The Financial Officer's Responsibilities

The Financial Officer is responsible for the preparation of the Council's Statement of Accounts in compliance with Accounting Codes of Practice applying to Local Authorities in Great Britain; to present fairly the financial position of the Council at the accounting date and its income and expenditure for the year ended 31st March 2005.

In preparing this Statement of Accounts, the Financial Officer has :

selected suitable accounting policies and then applied them consistently;
made judgements and estimates that were reasonable and prudent; and
complied with applicable Accounting Codes of Practice

The Financial Officer 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.

Financial Officer's Certificate

I hereby certify that the Statements of Accounts for the year ended 31st March 2005 required by the Accounts and Audit Regulations 1996 are set out on the preceding pages.

I further certify that the Statement of Accounts presented fairly the financial position of Shildon Town Council as at 31st March 2005 and its income and expenditure for the year ended 31st March 2005

Signed_____

M Waterson
Responsible Financial Officer & Town Clerk

Date_____

Auditor's Report to Shildon Town Council

We have audited the Statement of Accounts on pages 8 to 23 which have been prepared in accordance with the accounting policies applicable to local authorities as set out on pages 2 to 7.

Respective Responsibilities of the Financial Officer and Auditors

As described on page 24 The Financial Officer is responsible for the preparation of the Statement of Accounts. Our responsibilities as independent auditors 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 Statement of Accounts presents fairly the financial position and results of operations of the Council.

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 relevant audit standards.

Our audit included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Statement of Accounts. It also included an assessment of the significant estimates and judgements made by the authority in the preparation of the Statement 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 the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the Statement of Accounts is free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the Statement of Accounts.

Opinion

In our opinion, the Statement of Accounts presents fairly the financial position of Shildon Town Council at 31st March 2005 and its income and expenditure for the year then ended.

Certificate

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

**C.M. Andrew
Audit Manager
District Audit**

Date

**Statement of Accounts
for the Year Ended 31st March 2005
Statement of Internal Financial Control**

1. This statement is given in respect of the statement of accounts for Shildon Town Council. We acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.
2. The system of internal financial control can provide reasonable assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.
3. The system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council. In particular the system includes:
 - Comprehensive budgeting systems
 - Regular reviews of periodic annual financial reports which indicate financial performance against forecasts
 - Settings targets to measure financial and other performance
 - The preparation of regular financial reports which indicate actual expenditure against forecasts
 - Clearly defined capital expenditure guidelines, and
 - As appropriate, formal project management disciplines.
4. The council has appointed an independent and qualified External Verifier who works within a clearly defined programme. Reporting arrangements are through the Town Clerk and Responsible Financial Officer, the Finance and General Purposes Committee and the Council. The Internal Auditor gives a written report and attends appropriate committee meetings when required.
5. Our review of the effectiveness of the system of internal financial control is informed by:
 - The work of the Town Clerk within the Council
 - The work of the Independent External Verifier as described above, and
 - The external auditors in their annual audit report.

Signed_____

M Waterson
Responsible Financial Officer & Town Clerk

Date_____