

**REPORT TO POLICY AND FINANCE COMMITTEE – 18 JUNE 2008**  
**TOWN COUNCIL ACCOUNTS 2007/08**

**Agenda Item 5**

**1. Background**

- 1.1 Budgetary control reports have been submitted regularly to the Committee during 2007/08. These reports informed Members of the main variations between the actual expenditure and the approved budget.
- 1.2 This report provides Members with the Council's draft Income and Expenditure account for the year ended 31 March 2008, and the Balance Sheet as at the same date. In addition, it provides Members with the statutory Annual Return for the year ended 31 March 2008, which includes a summarised statement of accounts and a statement of assurance.
- 1.3 The Audit Commission will audit the draft final accounts later in the year. A further report will be submitted to this Committee once the Audit Commission has completed the audit.

**2.0 Actual Income and Expenditure 2007/08**

- 2.1 Page 1, paragraph 2, of Appendix 1 shows the original budgeted summary Income and Expenditure compared with the actual for each Committee. Pages 3 and 4 show the Council's statutory income and expenditure accounts for 2007/08 and 2006/07. Page 5 shows the balance sheet positions as at 31 March 2008 and 2007.
- 2.2 The actual income and expenditure (pages 3 and 4 of Appendix 1) was £424,375 and £448,379 respectively, resulting in a net decrease in reserves and provisions of £24,003 for the year, made up from a transfer from provisions of £14,036, and a transfer from the General Reserve of £9,968.
- 2.3 The Council's actual net expenditure for 2007/08 was £11,292 less than the net original budget. As a consequence, the transfer from the General Reserve was decreased from £21,260 to £9,968. This transfer has resulted in a balance of the General Reserve at 31 March 2008 of £171,736.

**3. Transfer to Provisions**

- 3.1 Appendix 2 shows the level of Reserves and Provisions as at 1 April 2007 and 31 March 2008.
- 3.2 The following transfers, which were approved by this Committee at its meeting on 21 May 2008, have been made during the year to provide funding for projects that were not started or completed during 2007/08.

<b>Name of Provision</b>	<b>Amount</b>
	<b>£</b>
Health & Safety Audit	1,500
Dr Littles Garden	1,980
Stile Castleman Trail	2,000
Poulner Lakes	480
Bad Debts	3,964
	9,924

**4. Annual Return For The Year Ended 31 March 2008**

- 4.1 The Annual Return must be approved by the Council and sent to the Audit Commission. The figures in Section 1 (on page 2) are a summary of the Council's income and expenditure, and are taken from pages 3 to 5 of Appendix 1 to this report. The Statement of Assurance (Section 2) also needs to be approved by the Council.

4.2 Members are requested to agree sections 1 and 2 of the return and recommend that they are approved by Council.

**5. Financial Implications**

5.1 The new in-year transfers to provisions (£9,924) will enable planned expenditure for 2007/08 to be carried out during 2008/09.

5.2 The General Reserve balance of £171,736 as at 31 March 2008 is a prudent financial level, which will enable the Council to meet unforeseen expenditure. The approved budget for 2008/09 already provides for the transfer of nearly £44,000 from the General Reserve. This would leave a forecast balance of about £128,000 as at 31 March 2009, which falls below the financially prudent level of £150,000. Members may wish to consider replenishing this balance when considering the budget for 2009/10.

**6. Recommendations**

6.1 It is recommended that:

- i) the actual income and expenditure accounts for 2007/08 and balance sheet as at 31 March 2008 as shown in Appendix 1 are approved;
- ii) the transfer from the General Reserve of £9,967.63 for 2007/08 is approved;
- iii) the Annual return for 2007/08 is approved.

For further information please contact:

Martin Townsend

Finance Manager

Tel: 01425 473883

e-mail: [martin.townsend@ringwood.gov.uk](mailto:martin.townsend@ringwood.gov.uk)