



ACCOUNTS

2015/16

Section 1 – Annual governance statement 2015/16

We acknowledge as the members of:

Enter name of
smaller authority here:

LOUGHTON TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2016, that:

	Agreed		‘Yes’ means that this smaller authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. 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 financial effect on the ability of this smaller authority to conduct its business or on its finances.	✓		has only done what it has the legal power to do and has complied with proper practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors’ rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority’s accounts.
5. 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.	✓		considered the financial and other risks it faces and has dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this smaller authority and, where appropriate have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	NA
			✓
			has met all of its responsibilities where it is a sole managing trustee of a local trust or trusts.

This annual governance statement is approved by this smaller authority and recorded as minute reference:

284
dated 21/04/16

Signed by:

Chair

dated

Signed by:

Clerk

dated

Judith M. Jones
29th April 2016

Amber
21/04/16

*Note: Please provide explanations to the external auditor on a separate sheet for each ‘No’ response. Describe how this smaller authority will address the weaknesses identified.

Section 2 – Accounting statements 2015/16 for

Enter name of smaller authority here:

LOUGHTON TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2015 £	31 March 2016 £	
			Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.
1. Balances brought forward	947,295	924,114	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	581,700	587,100	Total amount of precept or (for IDBs) rates and levies received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	250,857	199,601	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	348,366	354,137	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5. (-) Loan interest/capital repayments	100,497	100,497	Total expenditure or payments of capital and interest made during the year on the smaller authority's borrowings (if any).
6. (-) All other payments	406,875	408,785	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	924,114	847,396	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8. Total value of cash and short term investments	926,025	1,005,124	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	531,649	531,649	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the smaller authority as at 31 March
10. Total borrowings	883,520	828,101	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council acts as sole trustee for and is responsible for managing Trust funds or assets. N.B. The figures in the accounting statements above do not include any Trust transactions.
		✓	

I certify that for the year ended 31 March 2016 the accounting statements in this annual return present fairly the financial position of this smaller authority and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer

Chris Kane

Date 13/04/2016

I confirm that these accounting statements were approved by this smaller authority on this date:

21/04/16

and recorded as minute reference:

M285 REFERENCE

Signed by Chair of the meeting approving these accounting statements.

Judith ne, Jones

Date 29th April 2016

Section 3 – External auditor certificate and report 2015/16 Certificate

We certify that we have completed our review of the annual return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2016 in respect of:

Enter name of
smaller authority here:

LOUGHTON TOWN COUNCIL

Respective responsibilities of the body and the auditor

This smaller authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The smaller authority prepares an annual return in accordance with proper practices which:

- summarises the accounting records for the year ended 31 March 2016; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review the annual return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and does not provide the same level of assurance that such an audit would do.

External auditor report EX0166

On the basis of our review of the annual return, in our opinion the information in the annual return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

Other matters not affecting our opinion which we draw to the attention of the smaller authority:

- As a result of incorrect information supplied to the Council by the precepting authority, Section 1, Box 2, the annual precept, does not agree to the figure notified to us by the precepting authority. The figures in Boxes 2 and 3 should read £586,599 and £200,102 respectively. Please ensure that the correct figures are used in next year's Annual Return when completing the comparatives. (NB: As notified in our letter of 14 March 2016, all the precept figures published by the precepting authorities each year are available for checking on our website prior to completion of the Annual Return).
- As the Return was presented in loose leaf format we have stamped each page for identification purposes.

External auditor signature



External auditor name

PKF Littlejohn LLP

Date

18th September 2016

Note: The NAO issued guidance applicable to external auditors' work on 2015/16 accounts in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

Annual internal audit report 2015/16 to

Enter name of smaller authority here:

LOUGHTON TOWN COUNCIL

This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2016.

Internal audit has been carried out in accordance with this smaller authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this smaller authority.

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been kept properly throughout the year.	✓		
B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This smaller authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this smaller authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		

K. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

For any other risk areas identified by this smaller authority adequate controls existed (list any other risk areas below or on separate sheets if needed)

Name of person who carried out the internal audit

J. Watson for Auditing Solutions Ltd

Signature of person who carried out the internal audit

[Signature]

Date

25/04/2016

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).

Supporting Notes to the Accounts 2015/16

1 Basis of accounts

These accounts have been prepared in accordance with the Accounts and Audit (England) Regulations, i.e. on an income and expenditure basis with a statement of balances.

2 Assets, property etc

During 2015/16, the Town Council continued lease negotiations for the transfer of the land used by the Loughton Cricket Club at the junction of the High Road with Traps Hill from the trustees. Owing to various legal issues, the transfer and the subsequent lease to the Club has not yet been completed.

The lease with the Diocese of Chelmsford for the Memorial Garden in Roding Road adjacent to St Michael's Church has now been completed.

The total of fixed assets and long terms assets remained static at £531,649.

The asset register was reviewed by the Resources and General Services Committee at its meeting on 6 April 2016.

See separate schedule of assets held, including leases, licences, management agreements etc. for more information.

3 Borrowings

At the end of the financial year 2016/17 the council had the following loans outstanding. All loans were from the Public Works Loans Board.

Purpose	Opening balance	Closing balance	End date of loan
	1st April 2015	31st March 2016	
Buckingham Court	236,446.19	219,857.25	19.01.26
Community Centre (1)	320,539.76	300,917.36	28.03.27
Community Centre (2)	326,534.10	307,326.21	28.06.27
Total	883,520.05	828,100.82	

4 Earmarked Reserves

See attached schedule of earmarked reserves (page 8).

The earmarked reserves represent the amount of money within the Council's balances that has been set aside for specific purposes.

The Council had no useable capital reserves at 31 March 2016. Capital reserves represent the amount of money available within the Council's balances which are restricted and can only be used to finance capital expenditure.

5 Section 137

The limit for the Council's spending under S137 of the Local Government Act 1972 (as amended) for the year was £180,187.52 (£7.36 x 24,482). Payments totalling £4,850 were made under S137 during the year.

6 **Analysis and apportionment of income and expenditure**

Income and expenditure are analysed in accordance with the Council's committee structure. The costs of management and administration have been apportioned to all services on an appropriate basis.

7 **Advertising and Publicity**

The following costs for advertising and publicity were incurred during the year:

	15/16
	£
Recruitment advertising	75
Other advertising	0
Publicity	<u>150</u>
Total	225

8 **Pensions**

During 2015/16 the Council contributed 15.9% of employees' total pensionable pay to the pension fund.

9 **Members Allowances**

The total of members' allowances including expenses paid to serving councillors during the year was £2,085.42.

10 **Agency Work**

The Council did not undertake any agency work on behalf of other authorities during the year other than the provision of emergency caretaker assistance to Buckhurst Hill Parish Council, which was recharged at cost.

11 **Creditors**

There were no significant creditors at the end of 2015/16.

12 **Bad Debts**

No bad debts were written off during the year.

13 **Contingent Liabilities**

The accounts do not include provision for any contingencies.

Schedule of Earmarked Reserves		2015/16	
	1.4.15	Net transfers to/from reserves	31.3.16
Recreation Committee			
Murray Hall	51,681	-4,181	47,500
Kingsley Hall	15,000	15,000	30,000
Roding Valley Recreation Ground	134,850	400	135,250
Skateboarding	41,000	-9,000	32,000
Playgrounds	34,700	18,100	52,800
Open Spaces	4,000	-1,000	3,000
WRPF	11,500	-700	10,800
Community events	2,000		2,000
Van replacement	4,000	2,000	6,000
Total	298,731	20,619	319,350
Environment & Heritage Committee			
Street furniture	18,550	-8,213	10,337
Oakwood Hill Estate improvements	0	2,000	2,000
Allotments	3,910	-2,910	1,000
Community toilet scheme	1,000		1,000
Cemetery	34,350	-1,085	33,265
Cemetery plot maint endowment (restricted fund)	8,262		8,262
Village Greens - legal fees	5,000	-5,000	0
Lady Whitaker's Mead/new cemetery	83,865	-38,865	45,000
Tree strategy	0	500	500
Roding Hub	500		500
WWI centenary commemorations	400	-400	0
Total	155,837	-53,973	101,864
Resources and General Services Committee			
Elections	22,000	9,000	31,000
Noticeboards	2,400	-400	2,000
Office expenses	6,120	-2,550	3,570
Communication	1,000	-1,000	0
Council expenses	2,907	-1,000	1,907
Accommodation	15,000	-1,550	13,450
Buckingham Court maintenance fund	4,000	-2,000	2,000
Honours board	700		700
Staff costs	6,000	-6,000	0
Grants	3,081	-3,081	0
Total	63,208	-8,581	54,627
Planning & Licensing Committee			
Neighbourhood Plans	20,000	5,000	25,000
Total	20,000	5,000	25,000
Grand total	537,776	-36,935	500,841

Loughton Town Council 2015/16

Summary Income & Expenditure by Budget Heading 31/03/2016

Month No : 12

End of Year Committee Reports

		Actual Last Year	Actual Year To Date	Current Annual Budget	Variance Annual Total	Funds Available	% of Budget
<u>Resources and General Services</u>							
Communication	Expenditure	17,432	20,174	20,400	226	226	98.9 %
Office Expenses	Expenditure	11,394	10,261	12,250	1,989	1,989	83.8 %
	Income	259	31	0	31		0.0 %
Audit	Expenditure	2,830	2,830	2,900	70	70	97.6 %
Central Personnel	Expenditure	272,181	278,869	288,800	9,931	9,931	96.6 %
Council Expenses	Expenditure	9,405	11,676	11,600	-76	-76	100.7 %
	Income	0	200	0	200		0.0 %
Other Services (RGS)	Expenditure	854	3,274	11,950	8,676	8,676	27.4 %
Members' Expenses	Expenditure	2,060	2,072	2,900	828	828	71.5 %
Buckingham Court	Expenditure	51,827	54,399	53,800	-599	-599	101.1 %
	Income	7,873	8,199	6,000	2,199		136.6 %
Service Re-charge (RGS)	Expenditure	-241,400	-241,400	-241,400	0	0	100.0 %
Grants	Expenditure	28,100	36,886	38,000	1,115	1,115	97.1 %
Resources and General Services Expenditure		154,683	179,042	201,200	22,158	22,158	89.0 %
Income		8,132	8,430	6,000	2,430		140.5 %
Net Expenditure over Income		146,551	170,612	195,200	24,588		

Loughton Town Council 2015/16

Summary Income & Expenditure by Budget Heading 31/03/2016

Month No : 12

End of Year Committee Reports

		Actual Last Year	Actual Year To Date	Current Annual Budget	Variance Annual Total	Funds Available	% of Budget
<u>Recreation</u>							
Kingsley Hall	Expenditure	15,016	13,473	29,800	16,327	16,327	45.2 %
	Income	38,538	35,583	36,000	-417		98.8 %
The Murray Hall	Expenditure	144,264	136,367	138,600	2,233	2,233	98.4 %
	Income	77,304	65,223	63,000	2,223		103.5 %
Other Services (Rec)	Expenditure	7,672	7,756	8,200	444	444	94.6 %
	Income	662	1,767	0	1,767		0.0 %
Service Re-charge (Rec)	Expenditure	140,000	140,000	140,000	0	0	100.0 %
Roding Valley Recreation Ground	Expenditure	167,420	140,690	257,628	116,938	116,938	54.6 %
	Income	31,057	9,900	11,870	-1,970		83.4 %
Open Spaces	Expenditure	19,901	19,900	21,600	1,700	1,700	92.1 %
	Income	500	0	0	0		0.0 %
Playgrounds	Expenditure	21,715	20,491	35,350	14,859	14,859	58.0 %
Skateboard Facility	Expenditure	4,095	11,201	43,000	31,799	31,799	26.0 %
	Income	500	250	0	250		0.0 %
Will. Rd. Playing Field	Expenditure	13,766	6,955	15,800	8,845	8,845	44.0 %
	Income	1,556	291	1,690	-1,399		17.2 %
Van replacement fund	Expenditure	0	0	2,000	2,000	2,000	0.0 %
	Recreation Expenditure	533,848	496,833	691,978	195,145	195,145	71.8 %
	Income	150,117	113,012	112,560	452		100.4 %
	Net Expenditure over Income	383,730	383,821	579,418	195,597		

Loughton Town Council 2015/16

Summary Income & Expenditure by Budget Heading 31/03/2016

Month No : 12

End of Year Committee Reports

		Actual Last Year	Actual Year To Date	Current Annual Budget	Variance Annual Total	Funds Available	% of Budget
<u>Environment and Heritage</u>							
Christmas Best Dressed Window	Expenditure	330	334	375	41	41	89.1 %
Cemetery (Church Lane)	Expenditure	46,973	46,931	68,500	21,569	21,569	68.5 %
	Income	22,254	15,666	22,500	-6,834		69.6 %
Street Furniture	Expenditure	15,468	28,639	26,700	-1,939	-1,939	107.3 %
	Income	0	2,092	0	2,092		0.0 %
Allotments	Expenditure	1,931	8,449	5,000	-3,449	-3,449	169.0 %
	Income	2,285	3,910	2,564	1,346		152.5 %
Cemetery (Debden Lane)	Expenditure	510	510	10,600	10,090	10,090	4.8 %
Other services (EH)	Expenditure	595	1,160	1,900	740	740	61.1 %
	Income	8	0	0	0		0.0 %
Service Re-charge (EH)	Expenditure	74,400	74,400	74,400	0	0	100.0 %
Environment and Heritage Expenditure		140,207	160,423	187,475	27,052	27,052	85.6 %
Income		24,547	21,668	25,064	-3,396		86.5 %
Net Expenditure over Income		115,660	138,755	162,411	23,656		

Loughton Town Council 2015/16

Summary Income & Expenditure by Budget Heading 31/03/2016

Month No : 12

End of Year Committee Reports

		Actual Last Year	Actual Year To Date	Current Annual Budget	Variance Annual Total	Funds Available	% of Budget
<u>Planning and Licensing</u>							
Service Re-charge (PL)	Expenditure	27,000	27,000	27,000	0	0	100.0 %
Other Services (PLC)	Expenditure	0	121	20,500	20,379	20,379	0.6 %
	Planning and Licensing Expenditure	27,000	27,121	47,500	20,379	20,379	57.1 %
	Income	0	0	0	0		0.0 %
	Net Expenditure over Income	27,000	27,121	47,500	20,379		

Loughton Town Council 2015/16

Summary Income & Expenditure by Budget Heading 31/03/2016

Month No : 12

End of Year Committee Reports

		Actual Last Year	Actual Year To Date	Current Annual Budget	Variance Annual Total	Funds Available	% of Budget
<u>Other Costs and Income</u>							
Other Costs and Income	Income	649,761	643,590	651,129	-7,539		98.8 %
	Other Costs and Income Expenditure	0	0	0	0	0	0.0 %
	Income	649,761	643,590	651,129	-7,539		98.8 %
	Net Expenditure over Income	-649,761	-643,590	-651,129	-7,539		
<u>INCOME - EXPENDITURE TOTALS</u>	Expenditure	855,738	863,419	1,128,153	264,734	264,734	76.5 %
	Income	832,557	786,701	794,753	-8,052		99.0 %
	Net Expenditure over Income	23,181	76,718	333,400	256,682		

Loughton Town Council 2015/16
Balance Sheet as at - 31st March 2016

31st March 2015		31st March 2016		
Net Value	<u>Fixed Assets</u>	Cost of Asset	Depreciation	Net Value
<u>0</u>		<u>0</u>	<u>0</u>	<u>0</u>
	Current Assets			
1,019	Debtors	5,156		
2,247	Other Debtors (non Sales Led)	1,592		
26,229	Vat Refunds	26,682		
10,521	Prepayments	9,516		
57,845	Current Account	18,652		
35,000	No 2 Current Account	35,000		
237,968	Capital Reserve	138,049		
92,062	Santander Business Reserve	209,676		
3,000	Security Deposits Current a/c	3,000		
500,000	Santander 180 Day Notice A/c	400,000		
0	Nationwide Building Society	200,597		
150	Petty Cash	150		
<u>966,041</u>			<u>1,048,070</u>	
<u>966,041</u>	Total Assets			<u>1,048,070</u>
	Current Liabilities			
2,865	Creditors	143,005		
9,978	Accruals	24,026		
23,525	Receipts in Advance	25,998		
3,740	Security deposits	3,700		
330	Key deposits	600		
1,489	BOOKING DEPOSITS	3,346		
<u>41,928</u>			<u>200,674</u>	
<u>924,114</u>	Total Assets Less Current Liabilities			<u>847,396</u>
	Long Term Liabilities			
<u>0</u>			<u>0</u>	
<u>924,114</u>	Total Assets Less Long Term Liabilities			<u>847,396</u>

Loughton Town Council 2015/16
Balance Sheet as at - 31st March 2016

31st March 2015

31st March 2016

Represented By

386,338	General Reserve	346,555
537,776	Earmarked Reserves	500,841
<u>924,114</u>		<u>847,396</u>

The above statement represents fairly the financial position of the authority as at 31st March 2016 and reflects its Income and Expenditure during the year.

Signed :
Chairman

Date : _____

Signed :
Responsible
Financial

Date : _____