

# HEREFORD CITY COUNCIL

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(UNAUDITED ACCOUNTS)

## STATEMENT OF ACCOUNTS 2014/2015

**2014/2015**

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## Introduction

**The Council's Statement of Accounts for the financial year 2014/15 is set out on pages 9 - 19**

**It consists of the various statements explained below**

- **Explanatory Foreword (pages 2 - 4)**

This section provides in overall terms, the authority's financial position, and assists in the interpretation of the accounting statements.

- **Statement of Responsibilities for the Statement of Accounts (page 5)**

Under the Code of Practice on Local Authority Accounting in the UK, there is a requirement for the Council, in addition to the Responsible Financial Officer, to certify its approval of the Statement of Accounts.

- **Statement of Accounting Policies (pages 6 - 8)**

This explains the accounting policies that are consistent with accounting concepts and relevant accounting standards. It ensures that the Council's accounts present fairly the financial position and transactions of the Council.

- **Income and Expenditure Account (page 9)**

This account reports the net cost for the year of all the functions for which the Council is responsible. It demonstrates how that cost has been financed from income from local taxpayers (Precept) and grant funding.

The Income and Expenditure Account discloses the income receivable and expenditure incurred in operating the Council for the year. The surplus or deficit achieved on the Income and Expenditure Account represents the amount by which income is greater than or less than expenditure. Notes to the Income and Expenditure Account are on pages 12 -15.

- **Statement of Movement on the General Fund Balance (page 10)**

This statement discloses the adjustments required to reconcile the net operating income and expenditure with the movement on the General Fund Balance.

- **Balance Sheet (page 11)**

This sets out the Council's assets and liabilities as they were at 31 March 2015. It shows the level of reserves and balances at that date, together with investments and the value of assets held. Notes to the Balance Sheet are on pages 16 - 19.

## Explanatory Foreword

### Revenue Spending in 2014/15

Revenue expenditure for 2014/15 is summarised in the Income and Expenditure Account. This shows the costs of all the Council's Services and how the net expenditure has been funded.

The tables below show where our money came from and how we spent it.

How We Spent the Money	£	%
Payments to Staff and Staff Related Expenditure	250,257	28.71
Spending on Property	50,959	5.85
Spending on Transport	2,335	0.27
Supplies and Services	62,500	7.17
Payments to Other Organisation	281,103	32.24
Payments to Reserves	79,528	9.12
Payment to General Fund	120,760	13.85
Spending on Capital	24,327	2.79
<b>Total</b>	<b>871,769</b>	<b>100</b>

Where the Money came from	£	%
Precept – Council Tax	722,738	82.90
Local Council Tax Support Grant	92,977	10.67
Fees and Charges	1,911	0.22
Interest	3,912	0.45
From our Earmarked Reserves	50,231	5.76
<b>Total</b>	<b>871,769</b>	<b>100</b>

At the end of the year our total revenue reserves amounted to £908,423.70. The table below illustrates the different types of reserves that we hold.

Revenue Reserves	£
General Fund	403,558
Earmarked Reserves	504,866
<b>Total</b>	<b>908,424</b>

- General Reserve - Reserve set aside for unforeseen events.
- Earmarked Reserves - Reserves set aside for specific purposes.



## Explanatory Foreword (Cont'd)

The table below shows the budgeted figures for **2014/15** as compared with the actual outturn for the year.

	Original Budget £	Actual £
Amount available from Precept	722,738	722,738
Local Council Tax Support Grant	92,977	92,977
	815,715	815,715
Plus transfer from/(to) balances	0	(120,760)
Budget requirement	815,715	694,955
General Fund Balance - 1st April, 2014	282,798	282,798
General Fund Balance - 31st March, 2015	282,798	403,558

The above table shows that the actual transfer to balances was £120,760 more than originally budgeted for. This has increased the General Fund Balance to £403,558. Details of the main reasons are set out in the table below.

	£	£
<b><u>Reduced Income:</u></b>		
Interest		1,408
<b><u>Increased Income:</u></b>		
Fees and Charges		(1,876)
<b><u>Savings in Expenditure:</u></b>		
Civic Apparel	(473)	
Subscriptions	(481)	
Postages	(659)	
Public Ceremonies	(1,056)	
Transport – Civic Car	(1,364)	
Training/Subsistence	(1,573)	
Mayoral Expenses/Installation	(3,661)	
Grants	(4,149)	
City Events/Christmas Lights	(15,917)	
Property Related (Public Conveniences/Offices)	(21,288)	
Salaries and On-costs	(22,776)	
Streetscene	(86,338)	
		(159,735)
<b><u>Increase in Expenditure:</u></b>		
Civic Insignia	1,291	
Service Charges (Offices)	1,530	
Dial-a-Ride	2,615	
HR Consultancy	2,692	
Repairs and Maintenance (Buildings/Grounds)	2,727	
Equipment	13,958	
Capital Expenditure	14,627	
		39,440
		<b>(120,763)</b>

## **Explanatory Foreword (Cont'd)**

### **Assets**

The balance sheet records the current value of the majority of the Council's Asset Portfolio, valued at £1,026,659. The Council's assets were re-valued as at November 2006. The Council is not however required to re-value its assets.

### **Reporting Requirements**

Reporting requirements under the Accounts and Audit Regulations 2011 require that the accounts for 2014/15 were prepared and reported to Members by 30 June 2015.

### **Further Information**

For more information about these accounts, please contact Lesley Bruton (Mrs.), Finance Officer, Hereford City Council, Town Hall, St Owen Street, Hereford, Herefordshire. HR1 2PJ.  
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## **Statement of Responsibilities for the Statement of Accounts**

### **1. Council's Responsibility**

#### **The Council is required:**

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Town Clerk and Responsible Finance Officer
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- to approve the Statement of Accounts

**I confirm** that these accounts were approved by the Council at the meeting held on 23 June 2015.

**Signed on behalf of Hereford City Council**  
**Councillor C. Nicholls**  
**The Right Worshipful the Mayor of Hereford**

**Date:**

### **2. Town Clerk and Responsible Finance Officer's Responsibility**

The Town Clerk and Responsible Finance Officer is responsible for the preparation of the Council's Accounts in accordance with proper practices.

#### **In preparing this Statement of Accounts, the Officer has:**

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent

#### **The Officer has also ensured:**

- proper accounting records were kept, which were up to date

### **Certification of the Town Clerk and Responsible Finance Officer**

I hereby certify that the Statement of Accounts set out on pages 9 -19 present fairly the financial position of Hereford City Council as at 31 March 2015 and its income and expenditure for the year then ended.

**S J Kerry**  
**Town Clerk and Responsible Finance Officer**

**Date:**

**The Statement of Accounts was approved at the meeting of the Council held on 23 June 2015.**

## Statement of Accounting Policies

This section summarises the accounting rules and conventions we have used in preparing these accounts.

### 1. General

The accounts have been prepared in accordance with the *Accounts and Audit Regulations 2011* and with guidance from *Governance and Accountability in Local Councils in England and Wales: A Practitioners Guide*.

### 2. Fixed Assets

If, upon valuation, an asset is worth more than its value in the accounts, the difference is added to the Fixed Asset Revaluation Reserve and similarly, if worth less, the difference is taken from that reserve provided sufficient is in the reserve regarding that asset. If the reduction in value is greater than the amount held in the reserve, the balance is transferred to the Capital Adjustments Account. The Council does not have an obligation to re-value its assets other than investment properties, which the Council does not own. The majority of the fixed assets were re-valued as at November 2006.

In accordance with current accounting procedures, income from the disposal of fixed assets is accounted for on an accruals basis, and is included in the Balance Sheet as Usable Capital Receipts Reserve. No assets were disposed of in 2014/15.

### 3. Depreciation

The Council is not required to account for depreciation on its asset stock.

### 4. Capital Receipts

Capital receipts are credited to a Usable Capital Receipts Reserve. Interest on unused balances is credited to the General Fund.

The balance on the Usable Capital Receipts Reserve as at 31 March 2015 was £53,400.

The Council is debt free. All capital receipts, therefore, are available to finance capital expenditure.

### 5. Debtors and Creditors – Accruals Accounting

Revenue transactions are recorded on an income and expenditure (accruals) basis, in accordance with the Accounting and Audit Regulations. This means that income is recorded in the accounts when it is owed rather than when it is received - Debtor. Likewise, expenditure is recorded in the accounts when it is owed, rather than when the payment is actually made – Creditor.

### 6. Stock

All stocks have been treated as consumed because the value was not material.



## **7. Provisions**

The Council makes provisions for liabilities, which are likely or certain to be incurred, but where there is no certainty as to the actual amount of payment, although a reliable estimate is possible. Provisions are reviewed at each Balance Sheet date, and if no longer required, the provision is reversed.

Full details of Provisions are shown on page 17, note 4 to the Balance Sheet.

## **8. Reserves**

Amounts set aside for purposes falling outside the definition of provisions are considered reserves, and transfers to and from them are kept separate from service expenditure disclosed in the Statement of Accounts. Expenditure has not been charged directly to any reserve. Capital Reserves are not available for revenue purposes.

The Council's Capital Reserves are:

- The Usable Capital Receipts Reserve, which includes money from the sale of assets, which the Council can spend on other capital schemes.

Other reserves include money the Council has set aside in the past. They are available to cover unexpected payments or to support spending.

They include the following:

- Earmarked Reserves - money is set aside for certain classes of spending including future capital expenditure.
- General Reserve. The Council can decide how to spend this money.

Other accounts included in the balance sheet, which are not 'cash-backed' or have no cash supporting them, are:

- Fixed Asset Revaluation Reserve
- Capital Adjustments Account

Full details of the Council's earmarked reserves are shown on pages 17 – 19, on note 5 to the Balance Sheet.

## **9. Interest**

The balance on the Council's bank account is invested and the interest earned is credited to the General Fund. The Income and Expenditure Account on page 9 identifies the interest earned in 2014/15.

## **10. Investments**

Investments are repayable within one year.

Investments are shown in the Balance Sheet at cost and realised gains are taken into the Income and Expenditure Account. The Council held £968,284 with The Royal Bank of Scotland as at 31 March 2015.

## **11. 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 pension scheme for these employees.

The contribution rate is determined by the funds actuary on a triennial basis and is set to meet 100% of the liabilities of the pension fund, in accordance with the relevant government regulations.

The most recent actuarial valuation was undertaken in March 2014 and the contribution rates as a result of that valuation took effect from 1 April 2014.

Contributions are paid into the Worcestershire County Council (Local Government Pension Scheme).

## **12. Leases**

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

The Council leases a photocopier at a cost of £1,513.16 (excluding VAT) per annum and £1,410.16 per annum for a postage franking machine.

## **13. Value Added Tax**

Expenditure excludes any amounts related to VAT, as all VAT suffered is recoverable from HM Revenue and Customs. Any amounts not so recoverable are treated as a separate expense.

## Income and Expenditure Account

### For the Year Ended 31 March 2015

A summary of the Council's Income and Expenditure Account for the year ended 31 March 2015 compared with the actual results for the previous year is set out below, together with references to further detailed notes contained in pages 12 – 15.

Net 2013/14 £	Services	Expenditure 2014/15 £	Income 2014/15 £	Net 2014/15 £	Notes
141,263	Administration	153,472	-	153,472	5
12,000	Elections	(4,633)	-	(4,633)	
21,273	Allotments	23,542	35	23,507	3
368,358	City Costs	306,262	-	306,262	2/3
9,541	Management of Offices and Buildings	37,856	-	37,856	
	Public Conveniences	685	1,876	(1,191)	3
32,987	Special Hereford Projects	36,001	-	36,001	
12,803	Civic and Ceremonial	9,411	-	9,411	
84,376	Democratic Representation	74,494	-	74,494	
2,529	Civic Transport	2,157	-	2,157	
7,209	Planning	7,907	-	7,907	
9,723	Capital Expenditure	24,327	-	24,327	
<b>702,062</b>	<b>Net Cost of Services</b>	<b>671,481</b>	<b>1,911</b>	<b>669,570</b>	
(5,121)	Interest earned on Cash Balances			(3,912)	4
<b>696,941</b>	<b>Net Operating Expenditure</b>			<b>665,658</b>	
	<u><b>Where we got the money from</b></u>				
(100,496)	<b>Grant Funding – Local Council Tax Support Grant</b>			(92,977)	
(624,464)	<b>Precept</b>			(722,738)	
<b>(28,019)</b>	<b>Net General Fund (Surplus)/Deficit in the Year</b>			<b>(150,057)</b>	

This Statement shows the gross expenditure, income and net expenditure analysed by service and how it was funded by the Precept and grant funding.

## The Statement of Movement on the General Fund Balance

For the year ended 31 March 2015

(28,019)	Net General Fund (Surplus)/Deficit in the Year	(150,057)	Note
	Net additional amount required to be debited or credited to the General Fund Balance for the year.		
(4,306)	(Net transfer to/(from) earmarked reserves)	29,297	6
(32,325)	(Increase)/Decrease in General Fund Balance for the Year	(120,760)	
(250,473)	General Fund Balance Brought Forward at 1 April	(282,798)	
(282,798)	General Fund Balance Carried Forward at 31 March	(403,558)	



## Balance Sheet at 31 March 2015

This statement shows the financial position of the Council as a whole and summarises its assets and liabilities.

31 March 2014 £	Balance Sheet	Notes	31 March 2015 £	
	<b><u>Fixed Assets</u></b>			
538,448	Civic Plate and Artefacts		538,448	
231,031	Charters and Licences		231,031	
157,000	Land		157,000	
13,021	Other		13,021	
63,432	Vehicles and Equipment		87,159	
<b>1,002,932</b>	<b>Total Long Term Assets</b>			<b>1,026,659</b>
	<b><u>Current Assets</u></b>			
25,561	Money owed by Debtors	1	24,868	
629,008	Short Term Investments		-	
199,548	Cash in Hand		968,384	
	<b><u>Current Liabilities</u></b>			
(42,350)	Money owed to Creditors	3	(31,428)	
<b>1,814,699</b>	<b>Total Assets less Current Liabilities</b>			<b>1,988,483,</b>
	<b><u>FUNDED BY</u></b>			
(282,798)	General Fund	5	(403,558)	
(475,569)	Earmarked Reserves		(504,866)	
(53,400)	Usable Capital Receipts		(53,400)	
(19,210)	Fixed Asset Revaluation Reserve		(19,210)	
(983,722)	Capital Adjustments Account		(1,007,449)	
<b>(1,814,699)</b>	<b>TOTAL EQUITY</b>			<b>(1,988,483)</b>

## Notes to the Income and Expenditure Account

### 1. Employee Costs

2013/14 £	Employee Costs	2014/15 £
185,597	Salaries (Less Recoveries)	184,777
15,354	Employers – National Insurance Contributions	13,126
38,033	Employers – Pension Contributions (LGPS)	38,141
-	Other	14,000
<b>238,984</b>	<b>Total</b>	<b>250,044</b>

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

The City Council participates in the Local Government Pension Scheme administered by Worcestershire County Council. The City Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment costs.

The actuary set the City Council's employer's contribution rate, for 2014/15, at 22.7% of employees' pensionable pay, which the City Council applied.

### 2. City Costs

2013/14 £	City Costs (Net) (excluding employee, supplies & services costs)	2014/15 £
45,500	CCTV	46,728
53,036	Christmas Lights	52,082
10,000	Citizens Advice Bureau	-
24,874	City Events	11,531
86,079	Community Grants	90,851
8,000	Courtyard Project	-
-	Dial-a-Ride	2,615
12,377	Floral Features	11,845
7,000	Management of Seagulls	7,700
45,000	Parks and Open Spaces	15,000
6,000	Shopmobility	4,500
41,792	Street Scene	11,830
<b>339,658</b>	<b>Total</b>	<b>254,682</b>

## Notes to Income and Expenditure Account (Cont'd)

### 3. Grants and Contributions

Grants and Contributions	2014/15 £
Bartonsham Row Community Project	250
Borderlines Film Festival	1,000
CCTV (Herefordshire Council)	46,728
Central Tupsley Community Group	500
Close House Project	10,000
Country Park Supporters	2,750
Flavours of Herefordshire (Visit Herefordshire Ltd.)	5,000
Grandstand Road Residents Association	2,445
Hereford Allotment & Leisure Gardeners	6,650
Hereford Amateur Pantomime Society	2,000
Hereford Business Improvement District	5,000
Hereford Deaf Children Society	1,504
Hereford & District U3A	500
Hereford Floral Features	11,845
Hereford in Bloom	250
Hereford Gilbert & Sullivan Operatic Society	1,600
Hereford Harriers	554
Hereford Model Engineers	3,000
Hereford River Carnival Limited	2,500
Hereford Youth Canoe Club	2,675
Herefordshire Mind	5,500
Herefordshire Rollerskating Club	3,000
Herefordshire Vennture	2,000
Herefordshire Wildlife Trust	2,000
Herefordshire WW1 Centenary Committee	200
Hinton Community Association	3,000
Hope Support Services	2,000
Management of Seagulls (Herefordshire Council)	7,700
Newton Farm Community Association	9,331
Parks & Open Spaces (Herefordshire Council)	15,000
Royal National College for the Blind	3,000
Shopmobility (Service for Independent Living)	4,500
SHYPP	1,000
South Wye Amateur Gardeners	200
SSFA, RBL & ABF	2,000
St. Michael's Hospice	20,000
St. Nicholas Community Association	3,000
The Core Skate Hereford CIC	500
The Plylimon Trust (Dial-a-Ride)	2,615
United in the Company	3,000
Women4Women	10,000
2 Faced Dance Company	1,000
<b>Total</b>	<b>207,297</b>



## Notes to Income and Expenditure Account (Cont'd)

### 4. Interest

2013/14 £	Interest Received	2014/15 £
1,239 3,882	Deposit Account Short-Term Investment Account	2,030 1,882
<b>5,121</b>	<b>Total</b>	<b>3,912</b>

### 5. Disclosure of Audit Costs

The table below shows the fees incurred by the Council in 2013/14 and 2014/15 relating to external audit and inspection.

	2013/14 £	2014/15 £
<ul style="list-style-type: none"> <li>Fees payable to Grant Thornton LLP with regard to external audit services carried out by the appointed auditor</li> </ul>	1,300	1,600
<b>Total</b>	<b>1,300</b>	<b>1,600</b>



## Notes to Income and Expenditure Account (Cont'd)

### 6. Contributions to and from Reserves

The following table shows what money has been paid into Reserves and what money has been taken out of Reserves during 2014/15.

2013/14 £	Contributions to and from Reserves	2014/15 £
	<b><u>Contributions to Reserves</u></b>	
2,000	Allotments	2,000
69,562	Carry Forwards	11,500
30,000	Community Development	-
9,000	Elections	22,633
4,000	Public Ceremonies	4,000
-	Public Conveniences	5,000
16,110	Special Hereford Projects – Parish Plan	18,395
15,000	Three Choirs	15,000
1,000	Transport	1,000
<b>146,672</b>	<b>Total Contributions to Reserves</b>	<b>79,528</b>
	<b><u>Contributions from Reserves</u></b>	
(69,084)	Carry Forwards	(50,231)
(3,000)	Elections	-
(2,057)	Freedom Ceremonies	-
(60,000)	Neighbourhood Planning	-
(16,837)	Parish Plan	-
<b>(150,978)</b>	<b>Total Contributions from Reserves</b>	<b>(50,231)</b>
<b>(4,306)</b>	<b>Net Contributions (from)/to Reserves</b>	<b>29,297</b>

## Notes to the Balance Sheet

### 1. Debtors

An analysis of the Debtors figures in the balance sheet is shown below.

31 March 2014 £	Debtors	31 March 2015 £
	<b>Amount Falling (Due within one year)</b>	
60	Accrued Income *	708
20,163	Herefordshire Council *	-
2,743	H M Revenue and Customs	9,309
2,595	Prepayments	14,851
<b>25,561</b>	<b>Total Short Term Debtors</b>	<b>24,868</b>

\*Recoveries/contributions which have been netted off against relevant expenditure.

### 2. Stock

The Council held no items of stock as at 31 March 2015.

### 3. Creditors

An analysis of creditors in the balance sheet is shown below.

31 March 2014 £	Creditors	31 March 2015 £
20,788	Payroll & Liabilities	19,367
21,562	Accruals	12,061
<b>42,350</b>	<b>Total Creditors</b>	<b>31,428</b>

## Notes to the Balance Sheet (Cont'd)

### 4. Provisions

A provision should only be recognised when an organisation 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. Unless these conditions are met, no provision should be recognised.

No provisions are held in the accounts as at 31 March 2015.

### 5. Earmarked Reserves

Earmarked Reserves	Balance 1/04/14 £	Contribution from General Fund	Contribution to General Fund	Balance 31/03/15 £
(a) Equipment Renewal	11,000	-	-	11,000
(b) Elections	57,968	22,633	-	80,601
(c) Carry Forward	165,683	11,500	(50,231)	126,952
(d) Allotment Improvements	9,807	2,000	-	11,807
(e) Community Development	56,500	-	-	56,500
(f) Special Hereford Projects - General/City of Culture	6,800	-	-	6,800
(g) Special Hereford Projects - Business Plan	61,563	18,395	-	79,958
(h) Civic Apparel & Insignia	5,693	-	-	5,693
(i) Transport – Civic Car	25,105	1,000	-	26,105
(j) Freedom Ceremonies	13,890	-	-	13,890
(k) Public Ceremonies	13,190	4,000	-	17,190
(l) Public Conveniences	-	5,000	-	5,000
(m) Three Choirs Festival	39,370	15,000	-	54,370
(n) Twinning	9,000	-	-	9,000
<b>Total</b>	<b>475,569</b>	<b>79,528</b>	<b>(50,231)</b>	<b>504,866</b>

Earmarked reserves represent sums set aside to fund future expenditure and projects.

## Notes to the Balance Sheet (Cont'd)

- (a) Equipment Renewal Reserve – IT equipment was replaced in January 2009 and server upgraded in 2013. The reserve has been established to cover the cost of future equipment and upgrades. No contribution was made to the reserve in 2014/15. In addition, no call on the reserve was required during the year.
- (b) Elections Reserve – This reserve has been established to cover the cost of the Parish Elections. Elections were held in May 2011 at a cost of £37,905, which was funded from the reserve. The Council elections held in May 2015 will be funded from the reserve. It is anticipated that the level of the reserve will be sufficient to cover the cost of the next elections. An annual contribution of £9,000 is made to this reserve. In addition, the under spend of £13,633 in the 2014/15 estimates was transferred to the reserve.
- (c) Carry Forward Reserve - The Carry Forward Reserve has been established to carry forward unspent amounts from budgets to meet the costs of specific priorities/services, which are known to be required during the following financial year. A total of £11,500 has been carried forward from 2014/15. Contributions of £50,231 were made from the reserve to fund park and street scene projects, previous mayoral expenses and approved grants.
- (d) Allotment Improvements Reserve – It is the Council's intention to install or refurbish the facilities on all its allotment sites as and when required. An annual contribution of £2,000 is made to the reserve. Contributions from the reserve were not required during 2014/15.
- (e) Community Development Reserve – This reserve has been establishment to help support community development following the production of the action plan prepared from the output of the Parish Plan. A £30,000 contribution was made to the reserve to fund the grant, agreed at Council at its meeting of 10 December 2013, towards the Whitehouse Community HUB Project. The grant will be allocated over a three year period, when required. There were no schemes funded from the reserve in 2014/15. The action plan will be updated following the production of the revised Parish Plan in 2015/16.
- (f) Special Hereford Projects Reserve (General) – This reserve has been earmarked for one-off projects. No projects were funded from the reserve in 2014/15. £5,000 of the reserve has however been allocated to the City of Culture project.
- (g) Special Hereford Projects Reserve (Business Plan) – This reserve has been established to fund the development and implementation of the City Council's Parish Plan, which will be revised in 2015/16. The balance on the Parish Plan budget of £18,395 has been transferred to the reserve to support the continuing development and implementation of the Council's Parish Plan.
- (h) Civic Apparel and Insignia Reserve - The value of the City Council's Civic Apparel is approximately £10,000. This reserve has been established to fund future repair and renewal costs. There was no contribution or call on the reserve during 2014/15.
- (i) Civic Transport Reserve – This reserve has been established to fund a replacement civic car. The current civic car is a Vauxhall Omega, which is in good condition and serviced regularly. A contribution of £1,000 was made to this reserve in 2014/15.



- (j) Freedom Ceremonies Reserve – Freedom Ceremonies are not held on an annual basis, however, this reserve has been established to ensure future events are funded. No contribution was made to the reserve in 2014/15. There were no freedom ceremonies held in 2014/15.
- (k) Public Ceremonies/Receptions Reserve – The cost of significant visits or ceremonies are met from this reserve. A contribution of £4,000 was transferred to the reserve in 2014/15. There were no ceremonies or receptions funded from the reserve during the year.
- (l) Public Conveniences Reserve - With effect from 28 May 2014, licence agreements were signed between Herefordshire Council and Hereford City Council to operate two public conveniences, Union Street and East Street. The reserve has been established to fund additional or unforeseen repairs. A contribution of £5,000 was made to this reserve in 2014/15.
- (m) Three Choirs Festival Reserve – This reserve has been established to fund the festival sponsorship and reception costs when Hereford is the host city for the Three Choirs Festival. Hereford was the host city for the Festival in July 2012 and will next host the festival in July 2015. Funding of £36,260 was granted in 2012/13 to support the festival, of which £34,818 was funded from the reserve. An annual contribution of £15,000 is made to the reserve.
- (n) Twinning Reserve – Hereford is twinned with Dillenberg, Germany and Vierzon, France. This reserve has been established to fund expenses incurred during Mayoral visits from the twin towns to Hereford. There was no contribution or call made on the reserve in 2014/15.

## Glossary of Terms

This section explains terms that have been used throughout this document.

<i>Accrual</i>	This is one of the main accounting concepts and ensures that income and expenditure are shown in the accounting period that they are earned or incurred, not as money is received or paid.
<i>Asset</i>	An asset is something that the Council owns that has a monetary value. Assets are either 'current' or 'fixed'. A current asset is one that will be used or cease to have material value by the end of the next financial year (e.g. stock and debtors). A fixed asset provides the Council benefits for a period of more than one year.
<i>Budget</i>	A statement of our spending plans for a financial year, which starts on 1 April and ends on 31 March.
<i>Capital Receipts</i>	A capital receipt is the income that results from the sale of a fixed asset such as land or property. Capital receipts cannot be used to fund revenue services.
<i>CIPFA</i>	Chartered Institute of Public Finance and Accountancy for England and Wales.
<i>Consistency</i>	This is one of the fundamental accounting concepts. It requires the Council to treat similar items of income and expenditure the same way, both within an accounting period and from one accounting period to the next.
<i>Creditor</i>	This is the amount of money the Council owes to others for goods and services that have been supplied in the accounting period but not paid for.
<i>Debtors</i>	This is the amount of money others owe to the Council for goods and services that they have received but have not paid for by the end of the accounting period.
<i>Depreciation</i>	This is a charge made to the revenue account each year that reflects the reduction in the value of land, property and equipment used by the Council to deliver services.
<i>Liabilities</i>	Money that will be paid to people or organisations in the future.
<i>Provisions</i>	This is a sum of money that has been set-aside in the accounts for liabilities or losses that are due but where the amount due or the timing of the payment is not known with any certainty.
<i>Reserves</i>	A reserve results from the accumulation of surpluses, deficits and appropriations over past years.
<i>Revenue Spending</i>	Spending on the day-to-day running of services - mainly salaries, running expenses of buildings and equipment. These costs are met from the Precept.
<i>UK GAAP</i>	The Generally Accepted Accounting Principles in the UK.