

Agenda item 4

For decision: To approve the financial report at 31 July 2018

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Summary

This report provides an update on finances of the Town Council. It includes income and expenditure data, spending on items over £500, status of reserves and any specific items to bring to Cllrs' attention.

Paul Wynne and I are happy to answer any questions at the meeting but if you require any specific information please let us know beforehand.

1. Income and expenditure

A breakdown of budgeted income and expenditure up until 31 July 2018 is shown at [Appendix Z](#).

July income highlights:

- £70,000 (1092/802) Old Victoria Hospital
- £19,006 (1097/500) S106 money for The Dippy
- £16,883 HMRC VAT repayment for 1 April 2018 – 30 June 2018
- £6,000 (1013/802) Mendip Tourism Grant for Discover Frome
- £2,593 (1025/802) PV panel income 1 April – 30 June 2018

July expenditure highlights:

- £16,435 (4510/610) Half year Public Works Loan repayments for Frome Town Hall
- £9,000 (4810/600) Active and In Touch multiyear agreement year 2
- £8,000 (4800/600) Purple Elephant multiyear agreement year 2
- £6,000 (4830/600) Frome Community Education multiyear agreement year 2
- £5,791 (4321/800) Elections Services in connection with by-election 15 March 2018
- £4,531 (4421/600) Fair Housing for Frome balance
- £4,138 (4063/600) Half year Public Works Loan repayments for Cheese and Grain Tower
- £2,500 (4725/600) Fundraising Consultancy April to June

2. The Balance Sheet

The Balance Sheet at [Appendix 8](#) is a breakdown of assets and liabilities as at 31 July 2018.

Assets

Our assets are money in our bank account, money we have invested and money owed to us.

The first part of the Balance Sheet details short term investments and other assets totalling £972,970.

Broken down, the investments are £202,873 (Triodos), £201,382 (CCLA), £407,376 (Charity Bank Saver), £1,030 (Mendip Credit Union) and £10,130 (Barclays).

Our long term 12-month investment in the Charity Bank Community Account has now matured and the balance has been transferred to our Charity Bank Saver. Therefore, the balance is significantly higher than the other savings accounts.

Other assets are as follows:

Trade debtors £4,174 – this is the balance of outstanding invoices we have sent out.

VAT control £5,716 – this is the amount due to us from HMRC.

Debtors C&G Trust Loan £6,191 – this is the amount due to us from the Cheese and Grain.

Petty cash £23 – this is the amount of petty cash we have for the office and for the park office.

Current account £134,074 – this is the amount we have in our Barclays current account.

Liabilities

Our liabilities are money that we owe.

The liabilities include trade creditors which are £25,035. This is the balance outstanding at 31 July 2018 for invoices received from our suppliers. The remaining amount of £112 is the amount owed to companies for selling tickets on their behalf. There are a few minuses due to banking and invoicing differences.

Taking liabilities away from assets we have a net asset amount of £947,824.

3. Reserves

The second part of the Balance Sheet shows in what reserves we have allocated our net asset amount of £947,824. There are two parts to the reserves. The General Reserve, which shows as £550,840, is a variable figure which rises and falls during the year but at year end should be £180k.

The Earmarked Reserves total £396,984. The EMR Machinery and vehicle is being used to pay the lease on the electric vehicle and will go down to zero in the next month. Thereafter, the lease payments will be paid from the revenue budget 4925/500. You will also notice that the Community Cars EMR is now £0. This was going to be used for postage costs on their behalf. However, Mendip Community Transport sent the letters and we transferred the balance of £150 to Mendip Community Transport who have taken Frome Community Cars under their wing.

The General Reserve (£550,840) plus the total amount allocated to EMRs (£396,984) equals £947,824– the same as the net asset amount.

4. Payments over £500

Payments over £500 for July 2018 are shown at [Appendix 9](#). We will try to answer any questions about these at the meeting. However, please let us know in advance to be on the safe side.

5. Financial notes

In the context of known staff changes, the staff salaries are still just on budget. Given these are the largest expenditure budgets, we will be keeping a close watch on them through the year.

On the income and expenditure sheet, community open spaces (4033/500) shows that there is £1,094 left for the rest of the financial year. We have since received a cheque for £7,851 from the insurance claim from the damages of the swings in Mary Baily so this will go back into 4033/500. We have also spent £14,112 on improvements to the skate park in Mary Baily. We have asked to draw down S106 money with approval from Mendip District Councillors from the Trinity Park development (formally known as Garston Road) to cover this cost.

The income and expenditure sheet shows that legal and professional fees (4058/802) has a balance of £479 for the remainder of the financial year. This is due to spending:

- £5,724 transferring various pieces of land to the Theodora Ann Le Gross Trust
- £3,718 on legal fees relating to the old Victoria Hospital
- £1,500 on legal fees relating to transferring Chapmans Close, Packsaddle and Tower View from MDC to FTC
- £1,000 on VAT consultancy service
- £540 on professional fees relating to head-lease and sub-lease of Cheese and Grain building

At the time of writing, we have received an invoice for legal fees relating to the old Victoria Hospital. This means the legal fees budget is now overspent by £1647.

Conclusions

FTC remains financially sound with adequate funds for budgeted 2018/19 expenditure so long as the Town Hall income continues to grow.

Recommendation

Cllrs are requested to approve:

1. Income and expenditure sheet
2. The balance sheet
3. The breakdown of reserves
4. The payments made over £500

Cllrs are requested to note that a more detailed year-end forecast for 2018/19 will be carried out in time for the 31 October meeting on this committee.