

## Agenda item 4

For decision - Financial update to 30 September 2018

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### Summary

This report provides an update on finances of the Town Council. It includes Income and Expenditure to date and a current Balance Sheet, a list spending on items over £500 (August & September), status of reserves and any specific items to bring to Cllrs' attention. It also provides a year end forecast to 31<sup>st</sup> March 2019.

I will endeavour to answer any questions at the meeting but if you require any specific information, please let me know beforehand at: [williamss@frometowncouncil.gov.uk](mailto:williamss@frometowncouncil.gov.uk).

### Income and expenditure

A summary of income and expenditure to 30 September 2018 is shown in [Appendix 4.1](#).

#### *August and September 2018 income highlights*

Zurich Insurance	Play equipment (swings) insurance claim	£7,851
Mendip District Council	Second half of the 2018/19 precept	£634,136

#### *August and September 2018 expenditure highlights*

4058/802	Chubb Bulleid	Final invoice professional fees on Old Victoria Hospital payment	£2,125
4037/500	Healthmatic	New doors with timer locks for Victoria Park toilets	£3,800
4503/610	Ian Hobbs	30% deposit for air conditioning for the Town Hall Chamber	£3,864
4745/600	Ornamental trees	53 trees for the new Town Orchard	£6,653
4503/610	Globex	2 evacuation chairs incl training and compliance for Town Hall	£3,092
4033/500	Vita Play	Safety surfacing at Welshmill play park	£4,838

### Payments over £500

A full list of payments over £500 in August and September is shown in [Appendix 4.2](#).

### The Balance Sheet

The Balance Sheet at [Appendix 4.3](#) is a breakdown of assets and liabilities as at 30 September 2018.

## Assets

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

The first part of the Balance Sheet details short term investments of cash on deposit totalling £1.4m.

The cash balances at 30 September 2018 are:

- £203k Triodos
- £102k CCLA
- £407k Charity Bank Saver
- £675k Barclays

Other assets are as follows:

- Trade debtors: £5k
- VAT Control: £23k (amount due to us from HMRC)
- Debtors C&G Trust Loan £5k (amount due to us from the Cheese & Grain)
- Petty cash £53

## Liabilities

Our liabilities are money that we owe:

- Trade creditors: £78,366 (includes £42k incl VAT for resurfacing paths at the Old Showfield)
- Ticket control Dorset Steam Fair: £1,347
- There are a few minuses due to banking and invoicing differences.

Total net assets: £1,343,060

## Reserves

The final part of the Balance sheet how our Reserves are allocated:

- General Reserves are £959k
- Ear Marked Reserves (EMR's) are £384k

Total reserves £1,343,060.

## Year-end forecast to 31 March 2019

Following completion of the month-end to September 2018 and discussions with budget holders, the year-end forecast to 31 March 2019 indicates a deficit of £16k. This is primarily due to lower than budgeted income from Chamber hire at the Town Hall. This was caused by

the delay in licensing who then required we install air conditioning. There are also minor under and overspends to expenditure budgets.

Based on the current year end forecast, this means that £16k will be taken from the General Reserve to balance the budget and that the General Reserve will stand at £184k at 31 March 2019 which is within FTC's Financial Regulations.

## Internal Audit

The internal auditor's report can be found in [Appendix 4.4](#).

Internal auditors, Fair Account, visited the Town Hall offices on Thursday 18 October and conducted the audit for the second quarter 2018/19. Records and procedures in place were approved as providing a good standard of control although there was one formal recommendation:

*The Responsible Finance Officer should hold a general remittance advices tab on a separate file to ensure that all income received can be traced to the Cash Book and to the Town Council bank account which will aid the end of year process when completing the Accountancy and Governance Annual Return (AGAR Part 3).*

This has been actioned.

The internal auditors also recommended several investment options should we wish to look again at banks/building societies to deposit reserves. These are with the Cambridge and the Nationwide Building Societies. I will discuss these with the Finance Lead Cllrs and return to Council Matters if there are any recommended changes. A key issue will be the ethical status of these products.

## Conclusions

FTC remains financially sound with adequate funds and assets.

### Recommendations

Cllrs are requested to approve the:

1. Income and expenditure sheet
2. Balance sheet
3. Breakdown of reserves
4. Payments made over £500
5. Year-end budget forecast
6. Report from the internal auditor