

Agenda item 5

For approval: Financial update to 30 September 2019

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Summary

This report provides an update on the finances of the Town Council. It includes the Income and Expenditure report to 30 September 2019, the current Balance Sheet, a list of spending on items over £500 (Aug & Sept 2019), status of reserves, a year end forecast to March 2020 and any specific items to bring to Cllrs' attention. There is also a draft 5-year budget plan attached.

I will endeavour to answer any questions at the meeting but if you require any specific information, please let me know beforehand at swilliams@frometowncouncil.gov.uk.

Annual Return Year ending March 2019

Following approval of the 2018-19 Annual Governance and Accountability Return (AGAR) by external auditors PKF Littlejohn LLP, the Notice of Conclusion of Audit along with a certified AGAR (Sections 1, 2 & 3) was posted on the notice board outside the Town Hall until 15 October 2019 and to the Finance page on the website here: <http://bit.ly/2Zyn7Za>.

Income and expenditure

A summary of income and expenditure to 30 September 2019 is shown in [Appendix 5.1](#)

August & September 2019 income highlights

Budget code	Payer	Description	Net Amount
1075/700	MDC	Balance payable on completion of sale of FTC land at Saxonvale (dep £50k Mar)	£935,000
1076/900	MDC	2019/20 Precept payment 2 of 2	£671,685

August & September 2019 expenditure highlights

Budget code	Payee	Description	Net Amount
4087/700	Homes England	Clawback payment to original owners re. sale of land at Garsdale (Saxonvale)	£351,500
4087/700	HMRC	Stamp duty on sale of Garsdale (Saxonvale)	£20,052
Various	Kompan Ltd	Packsaddle and Tower View play equipment and additional play area surfacing	£34,543
4333/502	Blachere UK	Purchase of Christmas Lights for FTC town centre as opposed to ongoing rental	£3,857

Payments over £500

A full list of payments over £500 in August & September 2019 is shown in [Appendix 5.2](#).

The Balance Sheet

The Balance Sheet at [Appendix 5.3](#) is a breakdown of assets and liabilities as at 30 September 2019.

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 lists these assets including short term investments of cash on deposit, totalling £2,027,463.

The cash balances at 30 September 2019 are shown on the Balance Sheet £1,994,803, but early in October to reduce risk we transferred the surplus of the precept and Saxonvale sale receipt (both received in September) out across our various deposit accounts. The balances at the time of writing (October 2019) are:

- £304k Triodos
- £202k CCLA
- £610k Charity Bank (2 accounts)
- £580k Barclays (2 accounts)
- £200k Unity Trust Bank

Other assets at 30 September were as follows:

- Trade debtors: £29,997
- Debtors C&G Trust Loan £793 (amount due to us from the Cheese & Grain)
- Mendip Credit Union £1,037
- Petty cash £177

Liabilities

Our liabilities are money that were owed at 30 September. We aim to pay invoices within a week where possible.

- Trade creditors: £16,351
- VAT Control: £102,073 (due to HMRC primarily from the Saxonvale sale)
- Various ticket sales held on behalf of other organisations e.g. National Express, Bath & West Show, Yeovil Air Show etc.

Total net assets (assets minus liabilities) at 30 September were £1,907,843

Reserves

The final part of the Balance Sheet shows our reserves:

- General Reserves are £1,511,470
- Ear Marked Reserves (EMR's) are £396,373
- Total reserves £1,907,843

The net receipt from the sale of Garsdale/Saxonvale land

Within our current Reserves is the net receipt from the sale of our land at Saxonvale which, following payments to Homes England, SSL (in EMR awaiting payment out), HMRC and other

sale costs, leaves £547k (of which £497k is in General Reserves and £50k is in the old Saxonvale EMR). This might be called the 'Saxonvale Legacy' and the remaining balance at March 2020 will be recommended to be earmarked for use on future capital projects. Council have already earmarked funds of £41,550 from the £547k for: a feasibility study and research works on the Weston Warehouse at Saxonvale and relocation/replacement yard fees for the Rangers yard. The balance of the Saxonvale net receipt is currently therefore £504k with £4,034 remaining in the original Saxonvale EMR.

Year End forecast to March 2020

From September each year we begin to report on variances to the budgeted income and expenditure year to date and provide a forecast for the final year end outcome.

The Income & Expenditure sheet to 30 September 2019 in [Appendix 5.1](#) provides detail on expenditure to date and although there have been and will be over and under spends in a number of areas, the forecast to year end is still to break even and to be within our 'zero budget'.

Particular items of expenditure to note are:

- Fireworks – As the Rotary were unable to administer this event this year, FTC had to undertake it at short notice. There will be additional costs, but it is hoped to keep the expenditure under £15k.
- New boiler for the Town Hall – covered in Chris Stringer's report – estimates in progress, to be updated verbally at the meeting, and to be funded from General Reserves.
- Replacement laptops (x 9) due to Microsoft no longer supporting Windows 7 after January 2020. Estimated at £6k purchase outright or £200/month lease purchase over 3 yrs. Purchase outright recommended, to be funded from General Reserves.

5-year draft finance budget

Also attached in [Appendix 5.4](#) is a DRAFT of a five-year finance plan. As the figures for 2020-21 (Year 1) have yet to be detailed or finalised with Council, it is very much a template for work in progress and should not be considered as a proposal of any expenditure at this time.

Conclusion - FTC remains financially sound with adequate funds and assets.

Recommendations

Cllrs are requested to approve the:

1. Replacement laptops in January 2020 - £6k expenditure
2. Income and expenditure sheet to 30 September 2019
3. Balance sheet, including the breakdown of reserves
4. Payments made over £500