

Agenda item 6

For approval - Financial update to 31 January 2020

Authors: Sarah Williams, Business Manager and Hannah Paniccia, Finance Administrator

Summary

This report provides an update on the finances of the Town Council. It includes the Income and Expenditure report to 31 January 2020, the current Balance Sheet, a list of spending on items over £500 (October, November, December and January), status of reserves, a year end forecast to March 2020 and any specific items to bring to Cllrs' attention.

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

Income and expenditure

A summary of income and expenditure to 31 January 2020 is shown in [Appendix 3](#).

Income highlights - October, November, December and January

Budget code	Payer	Description	Net Amount
1019/500	Mendip District Council	50% Contribution towards Boyle Cross maintenance costs April 2018 – March 2019	£10,846.01
105	HMRC	VAT refund October – December	£7,019.56
1084/802	Mendip District Council	Donation towards Children and Young People's Project Officer salary costs 2019/20	£5,000.00
1099/502	Home in Frome (Lantern Parade)	Expenses donation to Christmas light switch on parade 2018	£1,500.00
1025/710	NPower	C&G PV panels income October – December	£1,399.78

Expenditure highlights - October, November, December and January

Budget code	Payee	Description	Net Amount
105	HMRC	VAT refund July – September (majority is the VAT charged on Saxonvale sale.	£102,072.89
4069/700	Somerset Skills and Learning	Relocation from Saxonvale payment as agreed part of original purchase	£50,000.00
4052/602	Fair Frome	Multi-year agreement 2019-20	£15,000.00
4531/610	Bruler Ltd	Part central heating install and commissioning (balance of £1,589.17 left to pay)	£12,395.00
4745/502	Fair Housing for Frome	PB Grant for the Big Red Housing Bus project	£2,940.00

4720/502	Black Swan Arts	Community Grant for Window Wanderland project	£2,000.00
----------	-----------------	---	-----------

Payments over £500

A full list of payments over £500 in October, November, December and January is shown in [Appendix 4](#).

The Balance Sheet

The Balance Sheet at [Appendix 5](#) is a breakdown of assets and liabilities as at 31 January 2020.

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 £1,392,003.

The cash balances at 31 January 2020 are shown on the Balance Sheet £1,364,500.

- £283,551 Barclays Current Account
- £60,291 Barclays Savings Account
- £202,270 CCLA
- £6,949 Charity Bank Community Account (Easy access)
- £305,000 Charity Bank Saver Account (90-day access)
- £305,324 Triodos
- £200,000 Unity Trust Bank

Other assets at 31 January 2020 were as follows:

- £18,839 Trade debtors
- £6,903 VAT control
- £1,349 Debtors C&G Trust loan (amount due to us from the Cheese & Grain)
- £150 National Express tickets (We have already paid the invoices but have not yet received the income from the iZettle deposit)
- £61 Theatre tokens (We have already paid the invoice but have not yet received the income from the iZettle deposit)
- £201 iZettle control (card payment processor)

Liabilities

Our liabilities are money that we owed at 31 January 2020. We aim to pay invoices within a week where possible.

- £9,616 Trade creditors
- £69 Berrys Coaches Tickets

Total net assets (assets minus liabilities) at 31 January 2020 were £1,382,265

Reserves

The final part of the Balance Sheet shows our reserves:

- General Reserves are £554,061

- Ear Marked Reserves (EMR's) are £828,204
- Total reserves £1,382,265

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 31 January 2020 in [Appendix 3](#) provides detail on expenditure to date. Although there have been, and will be, over and under spends in a number of areas, the forecast to year end predicts an overall underspend of £15k, of which £5k is intended to be put towards expenditure for 2020-21 and the balance to General Reserves.

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

Recommendations

Cllrs are requested to approve the:

1. Income and expenditure sheet to 31 January 2020
2. Balance sheet, including the breakdown of reserves at 31 January 2020
3. Payments made over £500 between 1 October 2019 to 31 January 2020