

## Agenda item 6

For approval - Financial update to 31 January 2021

Author: Hannah Paniccia, Assistant Finance Officer

### Summary

This report provides an update on the finances of the Town Council. It includes the Internal Audit report (September to December 2020), Income and Expenditure and Balance Sheet reports to 31 January 2021, a list of spending on items over £500 (October 2020 to January 2021), the status of reserves and any specific items to bring to Cllrs' attention.

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

### Internal Audit – September to December 2020

The internal auditors Fair Account carried out their second interim audit review on the Council's accounting records on Tuesday 12 January 2021. They confirm that in their view there is an adequate standard of control and their report can be [viewed here](#).

### Use of Ear Marked Reserves

It is proposed to transfer funds from EMR 356 Saxonvale Legacy to cover the initial expenditure of £3,460 on Market Place Phase 3 (700 – 4117). The £3,460 was spent on illustrations and consultancy services relating to Market Place Phase 3 as previously agreed by Councillors.

### Income and expenditure

A summary of Income and Expenditure to 31 January 2021 can be [viewed here](#).

### Income highlights – October 2020 to January 2021

Budget code	Payer	Description	Net Amount
700 - 1084	Somerset County Council	Small Improvements Scheme Grant for Market Place Phase 2	£50,000
804 – 1084	Mendip District Council	Grant funding toward Covid 19 losses and costs	£35,000
803 – 1013	Mendip Tourism Limited	Grant funding to support development of the Sound Walking & Rook Lane Arts projects	£12,000

## Expenditure highlights – October 2020 to January 2021

Budget code	Payee	Description	Net Amount
700 - 4119	Alun Griffiths (Contractors) Ltd	Market Place Phase 2 works 31/08/20 - 30/09/20	£71,459.93
710 - 4053 710 - 4066	Public Works Loan Board	Half yearly Public Works Loan Board repayments for Cheese and Grain building and Garsdale	£54,216.62
700 - 4119	Alun Griffiths (Contractors) Ltd	Market Place Phase 2 works 30/09/20 - 31/10/20	£17,239.77

## Payments over £500

A full list of payments over £500 for the period October 2020 to January 2021 can be [viewed here](#).

## The Balance Sheet

The Balance Sheet can be [viewed here](#). It is a breakdown of assets and liabilities as at 31 January 2021.

## 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 £1,410,863.

The cash balances at 31 January 2021 are shown on the Balance Sheet:

- £137,829 Barclays Current Account
- £10,722 Barclays Savings Account
- £303,021 CCLA Public Sector Deposit Account
- £7,056 Charity Bank Community Account (Easy access)
- £306,836 Charity Bank Saver Account (90-day access)
- £306,659 Triodos
- £300,599 Unity Trust Bank
- £1,055 Mendip Credit Union
- £238 Office petty cash
- £5 Park petty cash

Other assets at 31 January 2021 were as follows:

- £15,653 Trade debtors
- £2,892 VAT control
- £1,349 Debtors C&G Trust loan (amount due to us from the Cheese & Grain)
- £16,000 Debtors Community Loan
- £180 National Express tickets
- £219 iZettle control (card payment processor)

## Liabilities

Our liabilities are money that we owed at 31 January 2021. We aim to pay invoices within a week where possible and this has not changed during the pandemic.

- £8,096 Trade creditors

- £362 Mayor's Charity

Total net assets (assets minus liabilities) at 31 January 2021 were £1,402,405

#### Reserves

The final part of the Balance Sheet shows our reserves:

- General Reserves are £853,085
- Ear Marked Reserves (EMR's) are £549,320
- Total reserves £1,402,405

#### Coronavirus pandemic

Loss of income from Town Hall hiring activities and unbudgeted expenditure relating to Coronavirus (incl. building and workplace adaptations across the estate, PPE, Frome Community Drivers support) is estimated to total £110k to the end of March 2021. £35k has been received from MDC in Covid-19 grant support and a further £35k has been requested. The balance will be funded from reserves brought forward at March 2020.

#### Conclusion

Despite the impact of the Coronavirus pandemic, FTC remains financially sound with adequate funds and assets.

#### Recommendations

Approve the:

1. Internal Auditors report for the period September to December 2020
2. Expenditure from Market Place Phase 3 (700 – 4117) of £3,460 to come from EMR 356 Saxonvale Legacy
3. Income and expenditure sheet to 31 January 2021
4. Payments made over £500 for October 2020 to January 2021
5. Balance sheet including the breakdown of reserves at 31 January 2021