

Agenda item 4

For approval - Financial update to 30 September 2021

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Summary

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

We include confirmation of the External Auditors report for the year end March 2021 and for the minutes, confirmation of the first and second Notices of Public Rights.

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.

Internal Audit – April to September 2021

The internal auditors Fair Account will be carrying out their interim audit review on the Council's accounting records on 24th and 25th November 2021.

External Auditors report for the year end March 2021

PKF Littlejohn completed their external audit and sent through their closure letter with satisfactory confirmation on 3rd September 2021. [Appendix 2 can be viewed here](#).

For the minutes please note that [the first Notice of Public Rights was published on 20th May 2021 on the website here](#) and [the second Notice of Public Rights on 8th September 2021 on the website here](#). These were both also displayed on the Town Hall external notice board).

Income and expenditure

A summary of Income and Expenditure to 30th September 2021 is at [Appendix 3 which can be viewed here](#).

Income highlights – August & September 2021

Budget code	Payer	Description	Net Amount
900 1076	Mendip District Council	2 nd half of the 2021-22 Precept demand	£901,152
608 1113	Somerset County Council	SCC Climate Action Emergency Fund grant	£10,000

Expenditure highlights – August & September 2021

Budget code	Payee	Description	Net Amount
602 4800	Various	Substantial grants	£36,000

602 4052	Fair Frome	Fair Frome Grant Funding 2021/22	£15,000
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Payments over £500

A full list of payments over £500 in August & September 2021 is at [Appendix 4 which can be viewed here](#).

The Balance Sheet

The Balance Sheet is at [Appendix 5 which can be viewed here](#). It is a breakdown of assets and liabilities as at 30th September 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 £2,181,192. This figure includes the 2nd half of the year's Precept income from Mendip District Council to cover revenue expenditure October 2021 to March 2022.

The cash balances at 30th September 2020 are shown on the Balance Sheet:

- £307,005 Barclays Current Account
- £46,481 Barclays Savings Account
- £403,100 CCLA Public Sector Deposit Account
- £357,393 Charity Bank Community Account (Easy access)
- £308,393 Charity Bank Saver Account (90-day access)
- £406,913 Triodos
- £350,571 Unity Trust Bank
- £1,055 Mendip Credit Union
- £81 Office petty cash
- £190 Park petty cash

Other assets at 30th September 2021 were as follows:

- £8,241 Trade debtors
- £15,772 VAT control
- £1,349 Debtors C&G Trust loan (amount due to us from the Cheese & Grain)
- £1,607 Cycle to Work Scheme
- £180 National Express tickets
- £106 iZettle control (card payment processor)

Liabilities

Our liabilities are money that we owed at 30th September 2021. We aim to pay invoices within a week where possible and this has not changed during the pandemic.

- £7,014 Trade creditors
- £24 Ticket Control Hidden Gardens
- £239 Mayor's Charity

Total net assets (assets minus liabilities) at 30th September 2021 were £2,201,161

Reserves

The final part of the Balance Sheet shows our reserves:

- General Reserves are £1,424,795
- Ear Marked Reserves (EMR's) are £776,366

Total reserves £2,201,161

Banking arrangements

We are in the processing of obtaining a current account with Unity Bank to trial bulk BACS payments. If successful we will explore further and consider moving our current account to Unity Bank. We will bring any recommendations to Council in January.

Year End forecast to March 2022

We are half-way through the financial year and there are no major variations from the budgeted income and expenditure to report other than that so far we have used very little of the Covid-19 emergency budget for the year. We will review and report again through the second half of the year.

Conclusion

FTC remains financially sound with adequate funds and assets.

Recommendations

Approve the:

1. External Auditors report for the year end March 2021
2. First and second Notices of Public Rights 20th May and 8th September 2021
3. Income and expenditure sheet to 30th September 2021
4. Balance sheet including the breakdown of reserves at 30th September 2021
5. Payments made over £500 during August & September 2021