



Farnham Town Council

Report and Financial Statements

Year ending 31st March 2017

Farnham Town Council

Financial Statements for the year ended 31 March 2017

Explanatory Foreword

Farnham Town Council's Financial Statements for the year ended 31 March 2017 are set out on the pages attached and consist of the following:

- **The Income & Expenditure Account**, showing income and expenditure on all services.
- **The Balance Sheet**, setting out the Council's financial position at the year end.
- **Notes to the Accounts**, providing information on amounts included in the statements.

This foreword provides a brief summary of the more important aspects of Farnham Town Council's activities and its financial position.

Basis of preparing the Financial Statements

As the Council's income is less than £6,500,000, the Council's accounts follow the CIPFA Accounting Guidance for medium-sized councils. The balance sheet does not therefore need to include the value of fixed assets such as premises, equipment and infrastructure, although they are included for completeness. The cost of services excludes depreciation and the accounts also exclude adjustments that would be necessary to meet accounting standards relating to the accounting treatment for retirement benefits, as compliance is not required.

External Auditor's Opinion

The External Auditor's Opinion is provided on an Annual Return provided to the Council's Auditors:

BDO LLP
Arcadia House
Ocean Village
Southampton
SO14 3TL

The figures provided in these statements are consistent with those provided in the Annual Return.

The Annual Return can be seen with the June Council Agenda and is also available online at www.farnham.gov.uk or on request from Farnham Town Council.

Farnham Town Council Outturn for the Year ended 31st March 2017

The outturn for the year is set out in the Income & Expenditure Account on page 4 and may be summarised as follows:

	£	
Cost of services	1,266,038	
Income received	253,847	
Net spending	<u>1,012,191</u>	
Local Parish Council Tax Grant	19,745	
Precept on Waverley Borough Council	<u>1,011,187</u>	
Amount transferred to balances for the year	<table border="1"><tr><td style="text-align: center;">18,741</td></tr></table>	18,741
18,741		

Capital expenditure

The funding for capital expenditure in the 2016/17 year was all from revenue (including grants) and balances. There was no borrowing in the year.

Statement of responsibilities for the Statements of Accounts

The Council is required to:

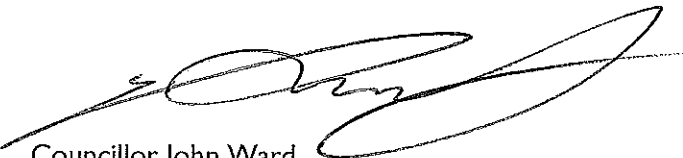
- Make arrangements for the administration of its financial affairs.
- Ensure that one of its officers (referred to as the Responsible Financial Officer) is responsible for the administration of those affairs. At Farnham Town Council, that officer is the Town Clerk.
- Manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets.

The Responsible Financial Officer is responsible for preparation of the Council's statements of accounts in accordance with the CIPFA Accounting Guidance so far as applicable to this Council, to present fairly the financial position of the Council at 31 March 2017 and its income and expenditure for the year then ended. In preparing the statements of accounts, the Responsible Officer has:

- Selected suitable accounting policies and applied them consistently;
- Made judgements that were reasonable and prudent; and
- Complied with the Guidance.

The Responsible Officer has also:

- Kept proper accounting records that were up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.


Councillor John Ward
Town Mayor (2016-17)

Farnham Town Council
Council Offices
South Street
Farnham
Surrey GU9 7RN

June 2017

Farnham Town Council
Income & Expenditure for the year ended 31 March 2017

Expenditure by Working Groups	Year ended 31 March 2017			2015/16
	Expense	Income	Net	Net
	£	£	£	£
1 Strategy & Finance (excluding precept)	689,922	61,024	628,898	507,099
2 Community Enhancement	255,614	51,988	203,626	242,109
3 Tourism & Events	185,845	71,002	114,843	117,053
4 Cemeteries	134,658	89,579	45,079	33,174
<hr/>				
Net cost of services	1,266,039	273,593	992,446	899,435
			£	£
Precept on the Borough Council			1,011,187	961,057
Surplus/(Deficit) for the year			18,741	61,622
Movement on General Fund balance and reserves:				
Balance brought forward			1,370,821	1,309,199
Surplus/Deficit for the year			18,741	61,622
Balance carried forward			1,389,562	1,370,821

Farnham Town Council Balance Sheet at 31 March 2017

	Notes	31 March 2017		31 March 2016	
		£	£	£	£
Fixed assets					
Tangible fixed assets	1, 3		-		-
Current assets					
Money Market deposits		1,465,857		1,412,259	
Debtors (including VAT recoverable)	4	33,821		37,558	
Bank/Petty cash		35,144		30,573	
Mayor's charity funds held by council		1,741		1,755	
Total current assets			1,536,563		1,482,145
Current liabilities					
Creditors and accrued expenses including commercial card and Mayor's charity funds	5		147,001		111,324
Total assets less current liabilities			1,389,562		1,370,821
Capital and reserves					
Earmarked Reserves	6		868,000		871,000
General Reserves			521,562		499,821
Total reserves			1,389,562		1,370,821

The Council has an outstanding Public Works Loans Board (No 478388) repayable on an annuity basis until 29/10/22.

The amount outstanding is: £47,817 £53,793

The Notes on pages 6 to 10 also form part of the Financial Statements.

The Council falls within the Audit Commission's 'lighter touch' audit regime and so the external audit opinion is provided on the Annual Return, which includes a summary of the Income and Expenditure Statement and Balance Sheet.

The above statement presents fairly the financial position of the Council as at 31 March 2017 and reflects its income and expenditure for the year. These Financial Statements reflect statements that were approved at a meeting of the Council held in June 2017.




Town Mayor 2016-17

Responsible Financial Officer

Farnham Town Council

Notes to the Financial Statements for the year ended 31 March 2017

1. Principal accounting policies

Accounting convention

The Financial Statements have been prepared in accordance with the CIPFA Accounting Guidance for Local Councils, which is recognised by statute as representing proper accounting practices, as applied to the accounts of local councils.

Fixed assets

The Council's Financial Statements are not required to include the value of fixed assets on the balance sheet or depreciation in the Income & Expenditure Account. The acquisition, creation or enhancement of fixed assets is charged to revenue each year, and disposal proceeds are credited to a capital receipts reserve if not immediately used to fund capital expenditure.

Fixed assets are valued in the Notes to the Financial Statements on the bases recommended by CIPFA and in accordance with the statements of asset valuation principles set out in 'Governance and Accountability – A Practitioners' Guide' and guidance notes issued by the Royal Institution of Chartered Surveyors (RICS). The closing balances are stated on the following basis:

- Land, operational properties and equipment, infrastructure and community assets are valued at the original purchase price, or the value at first recording of the asset. These values remain unchanged until disposal.
- Certain community assets are the subject of restrictive covenants as to their use and/or future disposal. Assets considered to have no appreciable realisable value are recorded at their historic cost value or given a £1 nominal value.

At the end of the 2013-14 financial year, the assets were reviewed and restated in line with the latest guidance issued by the external auditor BDO (Winter 2014 briefing) with assets previously listed to include proxy values, being revalued to zero (for gifts) or £1 for assets transferred from another authority.

Debtors and creditors

The Council's Financial Statements are maintained on an accruals basis. Amounts due to or from the Council during the year are included whether or not the cash has actually been received or paid in the year.

Stocks and work in progress

Stocks of office supplies and for grounds maintenance have been treated as consumed because their value was not material.

Reserves

The Council maintains certain operational reserves to meet general and specific future expenditure. The purpose of the Council's reserves is explained in Note 6.

General administration and support service costs

Central administrative support costs are reallocated direct to the services concerned, so far as they can reasonably be ascertained. The remaining administrative costs, including those relating to the democratic process, are shown as a separate service cost in the Income & Expenditure Account.

Farnham Town Council
Notes to the Financial Statements for the year ended 31 March 2017
(continued)

2. Pension costs

The Council's staff members are eligible to become members of the Surrey Superannuation Fund, which is administered by Surrey County Council. February 2017 was Farnham Town Council's auto-enrollment date and all eligible staff not in the scheme at that time were enrolled.

The pension costs that are charged to the Council's accounts in respect of its employees are equal to the contributions paid to the funded pension scheme for these employees. These contributions are determined by the Fund's actuary on a triennial basis and are set to meet 100% of the liabilities of the Fund, in accordance with relevant government regulations.

3. Fixed assets (following revaluation 31st March 2014 in line with external auditor's latest guidance)	31st March 2017	31st March 2016
Operational land and buildings (on historic cost basis)	£	£
Council Offices	261,728	261,728
Other Public Buildings	240,986	237,275
Wrecclesham Community Centre	205,901	204,957
Depot	119,448	116,204
Vehicles and equipment		
Vehicles	66,390	66,390
Audio and Visual Systems	23,608	23,608
Christmas Decorations	87,006	87,006
Civic Insignia	14,814	16,341
Grounds Equipment	55,391	49,686
Computers, telephones and office equipment	65,682	61,502
Other	20,709	15,709
Infrastructure assets		
Bus shelters	59,707	59,707
Town Centre CCTV	43,324	43,324
Boards and Signs	13,547	13,547
Street furniture (Litter bins, lampposts, Seats)	19,478	19,478
Community assets		
Cemeteries	244,968	231,950
Allotments and Gardens	25,892	25,892
Long-term investments		
CCLA Local Authorities Property Fund	100,000	-
Total value	1,668,578	1,534,304

Farnham Town Council
Notes to the Financial Statements for the year ended 31 March 2017
(continued)

4. Debtors and prepayments	2017	2016
	£	£
Debtors	16,990	14,161
Value added tax	16,831	23,397
Prepayments	-	-
	33,821	37,558

5. Creditors and accrued expenses	2017	2016
	£	£
Creditors	4,557	5,011
Bank account	-	-
Pensions/PAYE/NIC creditor	8,478	7,860
Income in advance	52,472	30,902
Accruals	76,258	62,586
Committed sums	-	-
HSBC Commercial Card	3,495	2,367
Mayor's charity funds held by Council	1,741	2,598
	147,001	111,324

6. Earmarked Reserves and General Reserves

Category	Balance at 31.3.17	Comments
Election and By-election Fund	£30,000	To cover Election and By-election costs. WBC invoices after an election.
Legal Expense fund	£30,000	To cover unforeseen legal costs.
New Equipment	£50,000	Planned equipment upgrades including vehicles.
Wrecclesham Community Centre	£35,000	Provision unforeseen expenditure.
Bus Shelters and Street Furniture	£20,000	Infrastructure to be developed.
SCC Bus Shelter Refurbishment	£8,000	Committed sum from Surrey County Council for bus shelter refurbishment
Gostrey Meadow and public space enhancements	£30,000	Includes lighting/ power upgrades and bandstand .

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Farnham Town Council
Notes to the Financial Statements for the year ended 31 March 2017
(continued)

6. Earmarked Reserves and General Reserves (continued)

Category	Balance at 31.3.17	Comments
Additional CCTV equipment	£30,000	To fund programmed investment.
Planning	£25,000	Provision for Neighbourhood Plan.
Environment	£20,000	Provision for Air Quality and other initiatives.
Cemetery Chapels	£160,000	Major repairs are required to the Chapels.
Cemetery Enhancements	£40,000	Programme of works to footpaths and memorials.
Cemeteries	£30,000	Other identified costs including future provision.
IT investment	£15,000	To fund required investment/ upgrades.
Tourism Development	£10,000	To fund improved services.
Public Conveniences	£70,000	Upgrade to improve public conveniences including Gostrey Meadow.
Town Hall	£100,000	Unforeseen/emergency repairs provision
Council Chamber	£20,000	Replacement furniture and equipment
Christmas Lights	£15,000	To fund the purchase of future Christmas Lights
Capital Receipts	£130,000	This comprises capital receipts arising from the disposal of fixed assets less expenditure on new capital items.
Total Earmarked	£868,000	
General	£521,562	FTC Policy states that the general reserves should not dip below 50% of the total annual precept or operating expenditure.
Total Reserves	£1,389,562	

Farnham Town Council
Notes to the Financial Statements for the year ended 31 March 2017
(continued)

7. Contingent liabilities

There were no contingent liabilities at 31 March 2017 (2016: none).

8. Grants paid in the year

During the year grants were paid to the following organisations:

<u>Community Grants:</u>	£
40 Degreez	3,400
Aider valley brass	750
Challengers Playcentre	1,500
Citizens Advice – Waverley	15,360
Creative Response (Arts) Ltd	3,000
Farnham Art & Design Education Group	900
Farnham Brass Band	1,000
Farnham Competitive Music Festival	800
Farnham Maltings	1,000
Farnham Maltings	12,800
Farnham Parish Church	2,000
Farnham Sports Council	1,200
Gostrey Centre	1,000
Hale Carnival	400
Hale Recreation Ground	419
Museum of Farnham	1,000
New Ashgate Gallery Trust	750
Phyllis Tuckwell Hospice	700
Rowledge Cricket Club	1,420
Rowledge Ringers Bell Group	450
Rowledge Tennis Club	2,000
St Peter's PCC	1,750
Support 19	1,040
The Abbey School	3,500
The Dance Movement	1,750
The Farnham Pottery Trust	2,000
The Woodlarks Centre	800
UK Mahjong Association	500
Voluntary Action	1,000
Wrecclesham History Project	500
	<u>64,796</u>

Farnham Town Council
Notes to the Financial Statements for the year ended 31 March 2017
(continued)

8. Grants paid in the year (continued)

<u>Town Clerk Small Grants</u>		£
40 Degreez		130
Farnham Boccia Club		274
Farnham Local Food		200
Farnham Rotary Club		156
Farnham Talking News		240
Post 19		57
St Andrew's PCC		250
St Andrew's School		<u>29</u>
		<u>1,346</u>
 <u>Other Grants:</u>		 £
Gostrey Centre		10,000
Farnham Hoppa	Freeflow grant	3,566
Farnham Hoppa		15,000
Farnham Festival		<u>2,000</u>
		<u>30,566</u>