



Farnham Town Council

Report and Financial Statements

Year ending 31st March 2019

Farnham Town Council

Financial Statements for the year ended 31 March 2019

Explanatory Foreword

Farnham Town Council's Financial Statements for the year ended 31 March 2019 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 Governance & Accountability Return provided to the Council's Auditors:

PKF Littlejohn LLP
Ref: SBA
2nd Floor
1 Westferry Circus
Canary Wharf
LONDON
E14 4HD

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

The Annual Governance & Accountability Return can be seen with the April 2019 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 2019

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	1,374,964
Income received	318,195
Net spending	1,056,769
Local Parish Council Tax Grant (included in income)	14,265
Precept on Waverley Borough Council	1,064,992
Amount transferred to balances for the year	8,223

Capital expenditure

The funding for capital expenditure in the 2018/19 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 2019 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 David Attfield
Town Mayor (2018-19)
Council Offices
South Street
Farnham
Surrey GU9 7RN

Farnham Town Council

Income & Expenditure for the year ended 31 March 2019

Expenditure by Working Groups	Year ended 31 March 2019			2017/18
	Expense £	Income £	Net £	Net £
1 Strategy & Finance (excluding precept)	742,912	41,088	701,824	566,260
2 Community Enhancement	259,916	59,939	199,977	269,374
3 Tourism & Events	223,635	117,157	106,478	111,854
4 Cemeteries	148,501	100,011	48,490	43,886
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Net cost of services	1,374,964	318,195	1,056,769	991,374
			£	£
Precept on the Borough Council			1,064,992	1,035,819
Surplus/(Deficit) for the year			8,223	44,505
 Movement on General Fund balance and reserves:				
Balance brought forward			1,434,067	1,389,562
Surplus/Deficit for the year			8,223	44,505
Balance carried forward			1,442,290	1,434,067

Farnham Town Council

Balance Sheet at 31 March 2019

	Notes	31 March 2019		31 March 2018	
		£	£	£	£
Fixed assets					
Tangible fixed assets	1, 3		-		-
Current assets					
Money Market deposits		1,332,603		1,618,822	
Debtors (including VAT recoverable)	4	49,498		46,366	
Bank/Petty cash		218,893		1,258	
Mayor's charity funds held by council		6,473		1,906	
Total current assets			1,607,467		1,668,352
Current liabilities					
Creditors and accrued expenses including commercial card and Mayor's charity funds	5		164,428		234,285
Total assets less current liabilities			1,443,039		1,434,067
Capital and reserves					
Earmarked Reserves	6		918,000		913,000
General Reserves			524,290		521,067
Total reserves			1,442,290		1,434,067

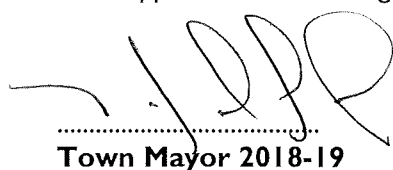
The Council has an outstanding Public Works Loans Board (No 478388) repayable on an annuity basis until 29/10/22.

The amount outstanding is: £37,913 £41,347

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 2019 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 April 2019.



Town Mayor 2018-19



Responsible Financial Officer

Farnham Town Council

Notes to the Financial Statements for the year ended 31 March 2019

I. 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 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 2019
(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 and are auto-enrolled into the scheme as required.

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. The next triennial review is due in 2019.

3. Fixed assets (following revaluation 31st March 2014 in line with external auditor's latest guidance)

	31st March 2019	31st March 2018
Operational land and buildings (on historic cost basis)	£	£
Council Offices	270,568	261,728
Other Public Buildings	246,617	243,220
Wrecclesham Community Centre	205,901	205,901
Depot	122,362	122,362
Vehicles and equipment		
Vehicles	103,778	103,778
Audio and Visual Systems	25,603	25,603
Christmas Decorations	107,562	101,275
Civic Insignia	14,814	14,814
Grounds Equipment	69,486	68,482
Computers, telephones and office equipment	78,736	69,198
Other	27,011	27,009
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	373,978	353,459
Allotments and Gardens	28,641	25,892
Long-term investments		
CCLA Local Authorities Property Fund	250,000	100,000
Total value	2,061,113	1,858,775

Farnham Town Council

Notes to the Financial Statements for the year ended 31 March 2019 (continued)

4. Debtors and prepayments

	2019	2018
	£	£
Debtors	13,348	26,872
Value added tax	36,150	19,494
Prepayments	-	-
	49,498	46,366

5. Creditors and accrued expenses

	2019	2018
	£	£
Creditors	2,820	12,599
Pensions/PAYE/NIC creditor	7,612	7,121
Income in advance	82,492	102,586
Accruals	62,781	106,340
HSBC Commercial Card	2,250	3,733
Mayor's charity funds held by Council	6,473	1,906
	164,428	234,285

6. Earmarked Reserves and General Reserves

Category	Balance at 31.3.19	Comments
Election and By-election Fund	£35,000	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	Commuted sum from Surrey County Council for bus shelter refurbishment
Gostrey Meadow and public space enhancements	£40,000	Includes lighting/ power upgrades and bandstand.
Additional CCTV equipment	£50,000	To fund programmed investment.
Planning	£25,000	Provision for Neighbourhood Plan.

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Farnham Town Council
Notes to the Financial Statements for the year ended 31 March 2019
(continued)

6. Earmarked Reserves and General Reserves (continued)

Category	Balance at 31.3.19	Comments
Environment	£20,000	Provision for environmental 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	£80,000	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	£35,000	To fund the purchase of future Christmas Lights
Capital Receipts	£115,000	This comprises capital receipts arising from the disposal of fixed assets less expenditure on new capital items.
Total Earmarked	£918,000	
General	£524,290	FTC Policy states that the general reserves should not dip below 50% of the total annual precept or operating expenditure.
Total Reserves	£1,442,290	

7. Contingent liabilities

There were no contingent liabilities at 31 March 2019 (2018: none).

Farnham Town Council
Notes to the Financial Statements for the year ended 31 March 2019
(continued)

Grants paid in the year

During the year grants were paid to the following organisations:

<u>Community Grants:</u>	<u>£</u>
5th Farnham (Bourne) Scout Group	2,000
Badshot Lea Village Hall Trust	550
Badshot Lea Village Infant School	250
The Bishop's Meadow Trust	1,500
Challengers	1,500
Creative Response Arts Limited	1,000
The Dance Movement	1,000
FADEG	750
Farnham Buildings Preservation Trust	1,250
Farnham Carnival	1,500
Farnham Competitive Music Festival	500
Farnham District Scouts	2,000
Farnham Maltings (pop up crafts)	1,000
Farnham Sinfonia	500
Farnham Taiko drummers	500
Groundwork South East	800
Hale Carnival Committee	500
Hale Community Project	750
The Helen Arkell Dyslexia Centre	750
Heritage Open Days	1,500
Homestart	750
Museum of Farnham	750
The New Ashgate Gallery	800
Rural Life Centre	1,000
Surrey Fire & Rescue Service	500
Sandy Hill Inclusive Partnership	1,000
Tice's Meadow Bird Group	500
VC Meudon Sports Club	2,000
Waverley Singers	500
William Cobbett Society	2,000
The Woodlarks Centre	<u>1,000</u>
	<u>30,900</u>
In addition regular grants for services provided were made to:	
Farnham Maltings	13,000
Citizens Advice Bureau	17,500
40 Degreez	2,000
Waverley Hoppa	10,000
Brightwells Gostrey Centre	<u>10,000</u>
	<u>52,500</u>

<u>Town Clerk Small Grants</u>	<u>£</u>
Farnham Museum	250
Repair Café	250
Phyllis Tuckwell Car Show	100
St Andrew's Christmas Tree Festival	250
Royal British Legion	218
Farnham Rivers Group	175
Rotary Cyclathon	130
Winterfest	250
Farnham Sports Council	<u>250</u>
	<u>1,873</u>