



Farnham Town Council

Report and Financial Statements

Year ending 31st March 2014

Farnham Town Council

Financial Statements for the year ended 31 March 2014

Explanatory Foreword

Farnham Town Council's Financial Statements for the year ended 31 March 2014 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 standard FRS 17, which relates 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.

Outturn for the Year

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	1,167,612	
Income received	210,153	
	<hr/>	
Net spending	957,459	
Local Parish Council Tax Grant	31,063	
Precept on Waverley Borough Council	<hr/> 907,859	
	<hr/>	
Amount transferred from balances for the year	<table border="1"><tr><td style="text-align: center;">18,537</td></tr></table>	18,537
18,537		

Capital expenditure

The funding for capital expenditure in the 2013/14 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:

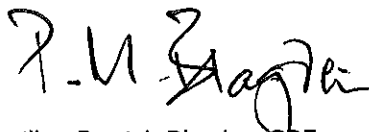
- Make arrangements for the administration of its financial affairs;
- Ensure that one of its officers (referred to as the Responsible Financial Officer) is responsible for the administration of those affairs. At Farnham Town Council, that officer is the Town Clerk.
- Manage its affairs to secure economic, 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 2014 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 Patrick Blagden CBE
Town Mayor (2013-14)

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

June 2014

Farnham Town Council
Income & Expenditure for the year ended 31 March 2014

Expenditure by Working Groups	Year ended 31 March 2014			2012/13
	Expense	Income	Net	Net
	£	£	£	£
1 Strategy & Finance (excluding precept)	643,706	85,719	557,986	488,234
2 Community Enhancement	223,491	36,046	187,444	222,336
3 Tourism & Events	148,239	39,414	108,825	107,311
4 Cemeteries	152,175	80,036	72,139	36,019
<hr/>				
Net cost of services	1,167,612	241,216	926,394	853,901
			£	£
Precept on the Borough Council			907,859	938,117
Deficit(-) for the year			(18,537)	84,216
Movement on General Fund balance and reserves:				
Balance brought forward			1,079,232	995,015
Surplus/Deficit for the year			(18,537)	84,216
Balance carried forward			1,060,695	1,079,232

NB some figures are affected by rounding

Farnham Town Council Balance Sheet at 31 March 2014

	Notes	31 March 2014		31 March 2013	
		£	£	£	£
Fixed assets					
Tangible fixed assets	1, 3		-		-
Current assets					
Money Market deposits		850,000		1,100,000	
Debtors (including VAT recoverable)	4	62,196		27,800	
Bank/Petty cash		458,637		84,580	
Mayor's charity funds held by council		3,178		3,859	
Total current assets			1,374,011		1,216,239
Current liabilities					
Creditors and accrued expenses including commercial card and Mayor's charity funds	5		313,314		137,006
Total assets less current liabilities			1,060,695		1,079,232
Capital and reserves					
Earmarked Reserves	6		594,000		610,000
General Reserves			466,695		469,232
Total reserves			1,060,695		1,079,232

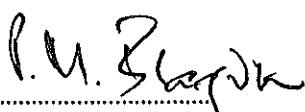
The Council has an outstanding Public Works Loans Board (No 478388) repayable on an annuity basis until 29/10/22.

The amount outstanding is:	£64,406	£69,112
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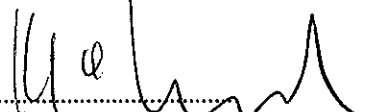
The Notes on pages 6 to 9 also form part of the Financial Statements.

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 2014 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, 2014



Town Mayor 2013/14



Responsible Financial Officer

Farnham Town Council

Notes to the Financial Statements for the year ended 31 March 2014

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 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 2014
(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.

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 2013	31st March 2014
Operational land and buildings (on historic cost basis)	£	£
Council Offices	1,075,480	253,591
Other Public Buildings	428,094	236,098
Wrecclesham Community Centre	500,000	111,001
Depot	110,484	60,545
 Vehicles and equipment		
Vehicles	32,024	34,024
Audio and Visual Systems	21,304	22,054
Christmas Decorations	95,024	41,094
Civic Insignia	46,065	15,041
Grounds Equipment	29,263	47,023
Computers, telephones and office equipment	81,063	48,001
Other	14,768	7,819
 Infrastructure assets		
Bus shelters	44,995	49,495
CCTV	43,324	43,324
Boards and Signs	14,547	13,547
Street furniture (Litter bins, lampposts, Seats)	18,681	19,478
 Community assets		
Cemeteries	571,291	21,298
Allotments and Gardens	30,857	25,892
 Total value	3,157,264	1,049,325

Farnham Town Council
Notes to the Financial Statements for the year ended 31 March 2014
(continued)

4. Debtors and prepayments	2014	2013
	£	£
Debtors	26,885	9,000
Value added tax	34,025	17,653
Prepayments	1,286	1,147
	62,196	27,800

5. Creditors and accrued expenses	2014	2013
	£	£
Creditors	169,318	39,551
Pensions/PAYE/NIC creditor	8,814	8,805
Income in advance	45,814	12,271
Accruals	81,884	67,952
HSBC Commercial Card	3,514	4,568
Mayor's charity funds held by Council	3,970	3,859
	313,314	137,006

6. Earmarked Reserves and General Reserves

Category	Balance at 31.3.14	Comments
Election and By-election Fund	£34,000	To cover Election and By-election costs. WBC invoices after an election.
Legal Expense fund	£10,000	To cover unforeseen legal costs.
New Equipment	£40,000	Planned equipment upgrades including vehicles.
Wrecclesham Community Centre	£40,000	Provision unforeseen expenditure.
Bus Shelters and Street Furniture	£15,000	Infrastructure to be developed.
Additional CCTV equipment	£25,000	To fund programmed investment.
Gostrey Meadow and public space enhancements	£25,000	Includes lighting/ power upgrades and bandstand .

Earmarked Reserves and General Reserves (continued)

Category	Balance at 31.3.14	Comments
Planning	£15,000	Provision for Neighbourhood Plan.
Environment	£10,000	Provision for Air Quality and other initiatives.
Cemetery Chapels	£125,000	Major repairs are required to the Chapels.
Cemetery Enhancements	£35,000	Programme of works to footpaths and memorials.
Cemeteries	£35,000	Other identified costs including future provision.
IT investment	£15,000	To fund required investment/ upgrades.
Tourism Development	£20,000	To fund improved services.
Public Conveniences	£50,000	Upgrade to improve public conveniences including Gostrey Meadow.
Town Hall	£75,000	Unforeseen/emergency repairs provision
Council Chamber	£25,000	Replacement furniture and equipment
Total Earmarked	£594,000	
General	£466,695	FTC Policy states that the general reserves should not dip below 50% of the total annual precept or operating expenditure.
Total Reserves	£1,060,695	

7. Contingent liabilities

There were no contingent liabilities at 31 March 2014 (2013: none).