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Farnham Town Council

Report and Financial Statements

Year ending 31st March 2022

Farnham Town Council

Financial Statements for the year ended 31 March 2022

Explanatory Foreword

Farnham Town Council's Financial Statements for the year ended 31 March 2022 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 2022 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 2022

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	1,548,471
Income received	<u>558,809</u>
Net spending	989,662
Precept on Waverley Borough Council	1,169,830
Amount transferred to balances for the year	180,168

Capital expenditure

The funding for capital expenditure in the 2021/22 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 2022 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 Alan Earwaker
Town Mayor (2021-22)
Farnham Town Hall
South Street
Farnham
Surrey GU9 7RN

Farnham Town Council
Income & Expenditure for the year ended 31 March 2022

Expenditure by Working Groups	Year ended 31 March 2022			2020/21
	Expense	Income	Net	Net
	£	£	£	£
1 Strategy & Finance (excluding precept)	710,208	269,731	440,477	507,180
2 Community Enhancement	360,118	66,623	293,495	299,337
3 Tourism & Events	232,668	78,288	154,380	126,268
4 Cemeteries	177,912	87,928	89,984	58,350
5 Coronavirus Support Fund	67,565	56,239	11,326	(29,421)
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Net cost of services	1,548,471	558,809	989,662	993,347
			£	£
Precept on the Borough Council			1,169,830	1,146,027
Total Surplus/(Deficit) for the year			180,168	184,313
Transfers to Earmarked reserves (grants received not yet spent, commitments and other provisions agreed by Council)			(208,710)	(115,512)
General Fund Surplus/(Deficit) for the year			(28,542)	(5,937)
Movement on General Fund balance and reserves:				
Balance brought forward			1,736,178	1,551,865
Surplus/Deficit for the year (prior to transfer of CIL, Section 106 funding, Coronavirus Support Fund and agreed earmarked reserves)			180,168	184,313
Balance carried forward			1,916,346	1,736,178

Farnham Town Council Balance Sheet at 31 March 2022

	Notes	31 March 2022		31 March 2021	
		£	£	£	£
Fixed assets					
Tangible fixed assets	1, 3		-		-
Current assets					
Money Market deposits		2,114,587		1,766,053	
Debtors (including VAT recoverable)	4	85,219		52,292	
Bank/Petty cash		60,370		84,285	
Mayor's charity funds held by council		2,489		7,649	
Total current assets			2,262,665		1,910,279
Current liabilities					
Creditors and accrued expenses including commercial card and Mayor's charity funds	5		346,319		174,101
Total assets less current liabilities			1,916,346		1,736,178
Capital and reserves					
Earmarked Reserves	6		1,423,414		1,214,705
General Reserves			492,932		521,473
Total reserves			1,916,346		1,736,178

The Council had an outstanding Public Works Loans Board (No 478388) repayable on an annuity basis until 29/10/22. This was repaid in full during 2019/20.

The amount outstanding is: £NIL £NIL

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 2022 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 2022.

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Town Mayor 2021-22

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Responsible Financial Officer

Farnham Town Council

Notes to the Financial Statements for the year ended 31 March 2022

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 2022
(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 2022.

3. Fixed assets (following revaluation 31st March 2014 in line with external auditor's latest guidance)	31st March 2022	31st March 2021
Operational land and buildings (on historic cost basis)	£	£
Council Offices	270,568	270,568
Other Public Buildings	422,719	279,634
Wrecclesham Community Centre	206,110	206,110
Depot	143,058	143,058
 Vehicles and equipment		
Vehicles	127,383	135,793
Audio and Visual Systems	35,453	35,453
Christmas Decorations	113,285	113,285
Civic Insignia	14,814	14,814
Grounds Equipment	142,841	115,345
Computers, telephones and office equipment	97,772	93,142
Other	27,011	27,011
 Infrastructure assets		
Bus shelters	70,598	59,707
Town Centre CCTV	99,858	99,858
Boards and Signs	15,277	15,277
Street furniture (Litter bins, lampposts, Seats)	21,879	21,879
 Community assets		
Cemeteries	492,094	429,138
Allotments and Gardens	83,769	83,769
Long-term investments		
CCLA Local Authorities Property Fund	250,000	250,000
Total value	2,634,489	2,393,841

Farnham Town Council
Notes to the Financial Statements for the year ended 31 March 2022
(continued)

4. Debtors and prepayments	2022	2021
	£	£
Debtors	43,406	12,578
Value added tax	41,679	39,714
Pension debtor	134	
Prepayments	-	-
	85,219	52,292

5. Creditors and accrued expenses	2022	2021
	£	£
Creditors	37,470	33,418
Pensions/PAYE/NIC creditor	12,911	11,181
Income in advance	11,009	22,650
Accruals	274,465	95,270
HSBC Commercial Card	9,528	6,994
Mayor's charity funds held by Council	936	4,588
	346,319	174,101

6. Earmarked Reserves and General Reserves

Category	Balance at 31.3.22	Comments
Election/By-election Fund	£41,000	Election/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 for unforeseen expenditure.
Street Furniture	£20,000	Infrastructure to be developed.
SCC Bus Shelter Refurbishment	£8,000	Committed sum from SCC for bus shelter refurbishment
Gostrey Meadow/public space enhancements	£65,000	Includes upgrades and bandstand.
Additional CCTV	£50,000	To fund programmed investment.
Environment	£75,000	Provision for environmental initiatives
Cemetery Chapels	£160,000	Major repairs required for the Chapels.
Cemetery Enhancements	£40,000	Programme of works to footpaths and memorials.
IT investment	£15,000	To fund required investment/ upgrades.
Tourism Development	£30,000	To fund improved services.
Public Conveniences	£150,000	Upgrade to improve public conveniences including Gostrey Meadow.
Town Hall	£100,000	Unforeseen/emergency repairs provision
Council Chamber	£10,000	Replacement furniture and equipment
Christmas Lights	£50,000	To fund the purchase of future Christmas Lights
Sub-total	£929,000	

Farnham Town Council
Notes to the Financial Statements for the year ended 31 March 2022
(continued)

Total Earmarked (b fwd from previous page)	£929,000	
Capital Receipts	£115,000	This comprises capital receipts arising from the disposal of fixed assets less expenditure on new capital items.
World Craft Town	£25,000	To fund expenditure related to World Craft Town activities
CIL	£159,714	Community Infrastructure Levy receipts received and not yet spent
COVID-19	£20,000	To fund expenditure resulting from the COVID-19 pandemic
Wrecclesham s106	£6,199	The unspent balance of s106 receipts for landscaping at Wrecclesham and for Wrecclesham Gateway project
West St Railings s106	£27,144	The unspent balance of a s106 receipt for work currently underway on the West Street Railings project.
UCA s106	£32,798	The unspent balance of a s106 receipt.
Youth Facilities	£25,000	To fund expenditure on facilities for young people
Coronavirus Support Fund	£23,096	The unspent balance of the Coronavirus Support Fund as at 31 st March 2022
Business Improvement	£15,000	To support emerging business support activities including the Business Improvement District
Enterprise 19	£2,000	Pledge for new Café project when ready to proceed
Crime Prevention	£2,463	Donation given by the Crime Prevention Panel for crime prevention activities
Mosaic	£20,000	Ringfenced to deliver welcome back funding programme
Electric Hoppa Bus	£20,000	Pledge for contribution to be paid towards the cost of an Electric Hoppa Bus
Farnham Fringe Festival	£1,000	Pledge for Grant for Farnham Fringe Festival
Total Earmarked Reserves	£1,423,414	
General	£492,932	FTC Policy states that the general reserves should not dip below 50% of the total annual precept or operating expenditure.
Total Reserves	£1,916,346	

7. Contingent liabilities

There were no contingent liabilities at 31 March 2022 (2021: none).

Farnham Town Council
Notes to the Financial Statements for the year ended 31 March 2022
(continued)

Grants paid in the year

During the year Community grants were paid to the following organisations:

<u>Community Grants:</u>	£
Aston Defibrillator Fund	1,900
Creative Response Arts Limited	750
Farnham Art & Design	800
Farnham Biodiversity	750
Farnham Pilgrim Marathon	500
Frensham Pond Sailability (pledged in previous year)	2,000
Helen Arkell Dyslexia Centre	1,000
Making Matters	1,000
Museum of Farnham	1,000
New Ashgate Gallery	1,000
Rowledge Cricket Club	1,500
Rowledge Tennis Club	2,000
Space2Grow	750
Tice's Meadow	10,000
TS Swiftsure Sea Cadets (pledged in previous year)	2,000
Repayment of Grant from 2020-21	<u>(2,000)</u>
	<u>24,950</u>

In addition, grants for services provided were made to:	£
40 Degreez	2,000
Brightwells Gostrey Centre	10,000
Citizens Advice Bureau	17,500
Farnham Maltings	13,000
Hale Community Centre	1,000
Waverley Hoppa	<u>10,000</u>
	<u>53,500</u>

<u>Town Clerk Small Grants</u>	£
Badshot Lea Speedwatch	127
Community Speedwatch	<u>274</u>
	<u>401</u>