

Agenda item 5

For decision: Financial update to 31st May 2019

Author: Sarah Williams, Business Manager

Summary

This report provides an update on the finances of the Town Council. It includes Income and Expenditure to 31st May 2019, the current Balance Sheet, a list of spending on items over £500 (May 2019), status of reserves and any specific items to bring to Cllrs' attention.

I will endeavour to answer any questions at the meeting but if you require any specific information, please let me know beforehand at swilliams@frometowncouncil.gov.uk.

Annual Return Year ending March 2019

The Annual Governance and Accountability Return (AGAR) was submitted to external auditors PKF Littlejohn LLP on Friday 24th May and an acknowledgement was received on Monday 3rd June. Review work takes place at PKFL "in the order in which they have been received". No estimation of a report date was given but we hope to receive it by the end of August.

The Public Notice announcing the records available for inspection by any member of the public between 3rd June and 12th July was placed on FTC's website and the noticeboard outside the Town Hall on Thursday 16th May following the last Council meeting. No requests have been received to date (21st June 2019).

Income and expenditure

A summary of income and expenditure to 31st May 2019 is shown in [Appendix 5.1](#)

May 2019 income highlights

Budget code	Who?	Description	Amount
		No significant deposits to note.	

May 2019 expenditure highlights

Budget code	Who?	Description	Amount
	YMCA	MYA 3rd year payment	£7,000
	Frome Community Education	MYA 3rd year payment	£2,000
	Purple Elephant	MYA 3rd year payment	£8,000
	Ecotricity	Balancing payment for usage to March 2019	£2,930

Payments over £500

A full list of payments over £500 in May 2019 is shown in [Appendix 5.2](#)

The Balance Sheet

The Balance Sheet at [Appendix 5.3](#) is a breakdown of assets and liabilities as at 31st May 2019.

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 £1.168M.

The cash balances at 31st May 2019 are:

- £204k Triodos
- £2k CCLA
- £609k Charity Bank Saver
- £338k Barclays

The new Charity Bank account was confirmed in December with six Councillors, Paul Wynne and Sarah Williams added as signatories. Four of the original six Cllrs were re-elected in May 2019 so no mandate changes are required at Charity Bank.

At the time of writing (21st June 2019) a new savings account has been created at Unity Trust bank and it is intended to deposit £100k there as soon as it can be moved from Charity Bank. Once we have the mandates changed at CCLA we can then transfer £100k back to that deposit account. We will also get the mandates changed at Barclays and Triodos in July. We are exploring whether we can move our current account to a more ethical bank and will report back as this proceeds.

We will select the signatories from the TAG members unless Cllrs request otherwise.

Other assets are as follows:

- Trade debtors: £5k
- VAT Control: £6k (amount due to us from HMRC)
- Debtors C&G Trust Loan £2k (amount due to us from the Cheese & Grain)
- Mendip Credit Union £1k
- Petty cash £227

At an earlier meeting in the year we were asked if we could include a list and value of non-monetary assets (land, buildings etc). We have our asset register updated regularly but the valuation of land and buildings needs reviewing. We will research further and report back.

Liabilities

Our liabilities are money that we owe. We aim to pay invoices within a week.

- Trade creditors: £14k
- There are a few minuses due to banking and invoicing differences.

Total net assets (assets minus liabilities) are £1.153M

Reserves

The final part of the Balance Sheet shows our reserves:

- General Reserves are £734k
- Ear Marked Reserves (EMR's) are £419k
- Total reserves £1.153M

We will provide March 2020 year end forecasts from September 2019.

Conclusion - FTC remains financially sound with adequate funds and assets.

Recommendations

Cllrs are requested to approve the:

1. Income and expenditure sheet
2. Balance sheet, including the breakdown of reserves
3. Payments made over £500