



# **Farnham Town Council**

## **Report and Financial Statements**

**Year ending 31<sup>st</sup> March 2016**

# Farnham Town Council

## Financial Statements for the year ended 31 March 2016

### Explanatory Foreword

Farnham Town Council's Financial Statements for the year ended 31 March 2016 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.

## Farnham Town Council Outturn for the Year ended 31<sup>st</sup> March 2016

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	1,162,728	
Income received	240,063	
Net spending	<u>922,665</u>	
Local Parish Council Tax Grant	<u>23,230</u>	
Precept on Waverley Borough Council	<u>961,057</u>	
Amount transferred to balances for the year	<table border="1"><tr><td style="text-align: center;">61,622</td></tr></table>	61,622
61,622		

### Capital expenditure

The funding for capital expenditure in the 2015/16 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 2016 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 Mrs Pat Frost  
Town Mayor (2015-16)

June 2016

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

**Farnham Town Council**  
**Income & Expenditure for the year ended 31 March 2016**

<b>Expenditure by Working Groups</b>	<b>Year ended 31 March 2016</b>			<b>2014/15</b>
	<b>Expense</b>	<b>Income</b>	<b>Net</b>	<b>Net</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
1 Strategy & Finance (excluding precept)	555,767	48,668	507,099	479,801
2 Community Enhancement	293,554	51,445	242,109	181,350
3 Tourism & Events	175,145	58,092	117,053	151,861
4 Cemeteries	138,262	105,088	33,174	(129,199)
<hr/>				
<b>Net cost of services</b>	1,162,728	263,293	899,435	683,813
			£	£
Precept on the Borough Council			961,057	932,313
<b>Surplus/(Deficit) for the year</b>			61,622	248,504
<b>Movement on General Fund balance and reserves:</b>				
Balance brought forward			1,309,199	1,060,695
Surplus/Deficit for the year			61,622	248,504
Balance carried forward			1,370,821	1,309,199

## Farnham Town Council Balance Sheet at 31 March 2016

	Notes	31 March 2016		31 March 2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	1, 3		-		-
<b>Current assets</b>					
Money Market deposits		1,412,259		1,408,323	
Debtors (including VAT recoverable)	4	37,558		55,520	
Bank/Petty cash		30,573		325	
Mayor's charity funds held by council		1,755		6,571	
<b>Total current assets</b>			<b>1,482,145</b>		<b>1,470,739</b>
<b>Current liabilities</b>					
Creditors and accrued expenses including commercial card and Mayor's charity funds	5		111,324		161,540
<b>Total assets less current liabilities</b>			<b>1,370,821</b>		<b>1,309,199</b>
<b>Capital and reserves</b>					
Earmarked Reserves	6		871,000		831,000
General Reserves			499,821		478,199
<b>Total reserves</b>			<b>1,370,821</b>		<b>1,309,199</b>

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

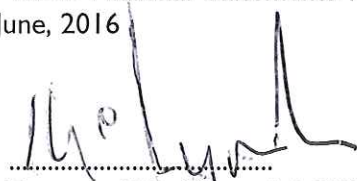
The amount outstanding is: £53,793 £59,311

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 2016 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, 2016

  
.....  
**Town Mayor 2015-16**

  
.....  
**Responsible Financial Officer**

# Farnham Town Council

## Notes to the Financial Statements for the year ended 31 March 2016

### 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 2016**  
(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.

<b>3. Fixed assets (following revaluation 31<sup>st</sup> March 2014 in line with external auditor's latest guidance)</b>	<b>31<sup>st</sup> March 2016</b>	<b>31<sup>st</sup> March 2015</b>
Operational land and buildings (on historic cost basis)	£	£
Council Offices	261,728	261,728
Other Public Buildings	237,275	237,275
Wrecclesham Community Centre	204,957	202,546
Depot	116,204	111,679
 Vehicles and equipment		
Vehicles	66,390	34,024
Audio and Visual Systems	23,608	22,959
Christmas Decorations	87,006	71,237
Civic Insignia	16,341	15,041
Grounds Equipment	49,686	49,686
Computers, telephones and office equipment	61,502	60,644
Other	15,709	6,692
 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	231,950	199,540
Allotments and Gardens	25,892	25,892
 Total value	<b>1,534,304</b>	<b>1,434,999</b>

**Farnham Town Council**  
**Notes to the Financial Statements for the year ended 31 March 2016**  
(continued)

4. Debtors and prepayments	2016	2015
	£	£
Debtors	14,161	3,382
Value added tax	23,397	52,138
Prepayments	-	-
	37,558	55,520

5. Creditors and accrued expenses	2016	2015
	£	£
Creditors	5,011	4,561
Bank account	-	45,267
Pensions/PAYE/NIC creditor	7,860	7,133
Income in advance	30,902	14,697
Accruals	62,586	71,021
Commuted sums	-	8,000
HSBC Commercial Card	2,367	2,392
Mayor's charity funds held by Council	2,598	8,469
	111,324	161,540

The overdrawn bank account represented cheques issued but not cleared through the bank as at 31<sup>st</sup> March 2015 which were funded by a transfer from the call account.

**6. Earmarked Reserves and General Reserves**

Category	Balance at 31.3.16	Comments
Election and By-election Fund	£30,000	To cover Election and By-election costs. WBC invoices after an election.
Legal Expense fund	£20,000	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	£35,000	Includes lighting/ power upgrades and bandstand .

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**Farnham Town Council**  
**Notes to the Financial Statements for the year ended 31 March 2016**  
(continued)

**6. Earmarked Reserves and General Reserves (continued)**

Category	Balance at 31.3.16	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	£40,000	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	£70,000	Upgrade to improve public conveniences including Gostrey Meadow.
Town Hall	£80,000	Unforeseen/emergency repairs provision
Council Chamber	£20,000	Replacement furniture and equipment
Christmas Lights	£10,000	To fund the purchase of future Christmas Lights
Capital Receipts	£143,000	This comprises capital receipts arising from the disposal of fixed assets less expenditure on new capital items.
<b>Total Earmarked</b>	<b>£871,000</b>	
<b>General</b>	<b>£499,821</b>	FTC Policy states that the general reserves should not dip below 50% of the total annual precept or operating expenditure.
<b>Total Reserves</b>	<b>£1,370,821</b>	

**Farnham Town Council**  
**Notes to the Financial Statements for the year ended 31 March 2016**  
(continued)

**7. Contingent liabilities**

There were no contingent liabilities at 31 March 2016 (2015: 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
318 Ceramics	500
Badshot Lea Football Club	2,000
Bishop's Meadow Trust	1,000
Bourne Beautification	360
Citizens Advice – Waverley	15,360
Cobbett Statue Trust	2,000
Creative Response (Arts) Ltd	1,000
Farnham Art & Design Education Group	700
Farnham Brass Band	1,000
Farnham Competitive Music Festival	400
Farnham Cricket Club	2,000
Farnham Decorative & Fine Arts Society	1,500
Farnham Maltings	1,500
Farnham Maltings	12,800
Friends of Potters Gate School	500
Hale Carnival	400
New Ashgate Gallery Trust	1,200
Opportunities	400
Rowledge Cricket Club	1,000
Stopgap Dance Company	600
The Dance Movement	1,961
Voluntary Action South West Surrey	1,400
Woodlarks	<u>2,000</u>
	<u>54,981</u>
<u>Town Clerk Small Grants</u>	£
3 <sup>rd</sup> Farnham Scouts	250
Farnham Local Food	201
Farnham Rotary Club	155
Farnham Rugby Club	200
Farnham Sports Council	200
Phyllis Tuckwell	100
Post 19	57
St Andrew's Church	200
St Andrew's School	29
Transition Farnham	250
Woodlarks	216
Wrecclesham History Project	<u>250</u>
	<u>2,180</u>

**Farnham Town Council**  
**Notes to the Financial Statements for the year ended 31 March 2016**  
(continued)

**8. Grants paid in the year (continued)**

Other Grants:

Blackwater Valley		1,500
Farnham Carnival		1,500
Farnham Hoppa		5,000
Farnham Maltings	Centenary of the first two minute silence	3,500
St Peter's PCC	Leverton Hall disabled access	<u>1,750</u>
		<u>13,250</u>