

Report and Accounts

Year ending 31st March 2011

Farnham Town Council

Accounts for the year ended 31 March 2011

Explanatory Foreword

Farnham Town Council's statements of accounts for the year ended 31 March 2011 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 highlighting the more important aspects of Farnham Town Council's activities and its financial position, and aims to facilitate a greater understanding of these matters.

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 therefore excludes the value of fixed assets such as premises, equipment and infrastructure and the cost of services excludes depreciation. 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.

Outturn for the year

The outturn for the year is set out in the Income & Expenditure Account on page 3 and may be summarised as follows:

	£
Cost of services	964,863
Income received	-116,523
	<hr/>
Net spending	848,340
Precept on Waverley Borough Council	875,939
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Amount added to balances for the year

27,599

Capital expenditure

The funding for capital expenditure in the 2010/11 year was all from revenue and balances (there was no borrowing in the year).

Farnham Town Council

Accounts for the year ended 31 March 2011

Explanatory Foreword (continued)

Statement of responsibilities for the Statements of Accounts

The Council is required to:

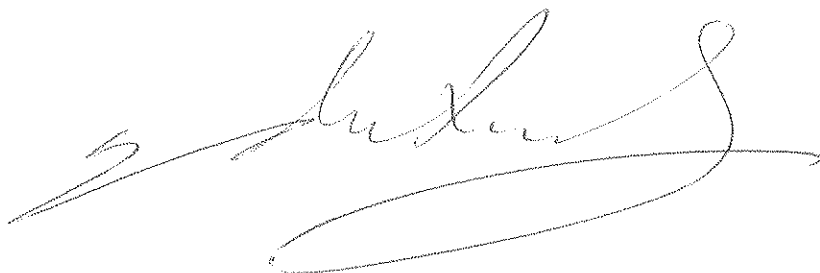
- Make arrangements for the administration of its financial affairs;
- Ensure that one of its officers (referred to as the Responsible Financial Officer) is responsible for the administration of those affairs. At Farnham Town Council, that officer is the Town Clerk.
- Manage its affairs to secure economic, 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 2011 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;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.



John Ward
Town Mayor (2010-11 year)

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

June 2011

Farnham Town Council
Income & Expenditure Account for the year ended 31 March 2011

Services	Note	Year ended 31 March 2011			2009/10
		Expense	Income	Net	Net
		£	£	£	£
1 Parks and Public Spaces		142,298	-2,620	139,678	132,376
2 Gardens and Open Spaces		181,298	-10,283	171,015	174,968
3 Allotments		20,508	-7847	12,661	-3,841
4 Farmers Market		13,274	-17,722	-4,448	-6,218
5 Tourism		57,189	-10,596	46,593	43,236
6 Cemeteries		117,689	-52,520	65,169	14,054
7 Administration (part recharged 2010/11)		298,006	0	298,006	486,552
8 Grants		57,423	0	57,423	78,800
9 Highways		14,424	0	14,424	14,967
10 CCTV		8948	0	8,948	41,469
11 Other		53,806	-14,935	38,871	79,850
Net cost of services		964,863	116,523	848,340	1,056,213

The variations between 2009/10 and 2010/11 are as a result of reallocating staffing costs from line 7 (Administration) to service budgets

	£	£
Precept on the Borough Council	-875939	-866,976
Surplus(-)/ Deficit for the year	-27,599	5975
Use of reserves		183,262
Movement on General Fund balance and reserves:		
Balance brought forward	945,571	1,134,808
Surplus/deficit(-) for the year	27,599	-189,237
Balance carried forward	973,170	945,571

The Notes on pages 6 to 9 form part of the statement of accounts

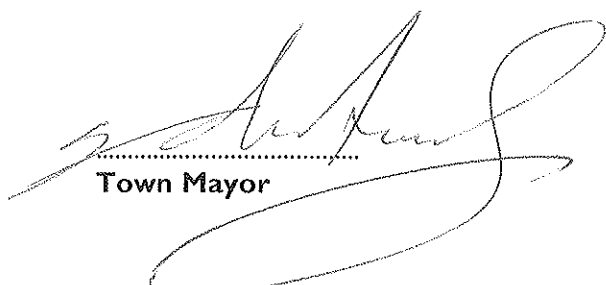
Farnham Town Council Balance Sheet at 31 March 2011

	Notes	31 March 2011		31 March 2010	
		£	£	£	£
Fixed assets					
Tangible fixed assets	1, 3				
Current assets					
Investments		930,000		850,000	
Debtors (including VAT recoverable)	4	31,443		87,581	
Bank		97,881		99,422	
			1,059,324		1,037,003
Current liabilities					
Creditors and accrued expenses	5		-86,154		-91,432
Total assets less current liabilities			973,170		945,571
Capital and reserves					
Earmarked Reserves	6		532,287		
General Fund balance			440,883		371,080 574,491
			973,170		945,571

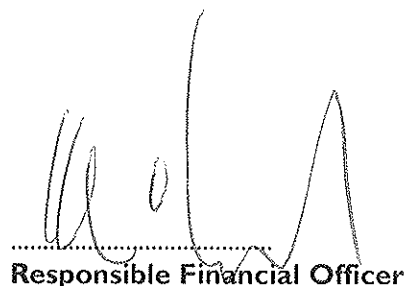
The Notes on pages 6 to 9 form part of the statement of accounts.

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 Account and Balance Sheet.

The above statement presents fairly the financial position of the Council as at 31 March 2011 and reflects its income and expenditure for the year. These accounts reflect statements that were approved at a meeting of the Council held in June, 2011



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Town Mayor



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Responsible Financial Officer

Farnham Town Council

Notes to the Accounts for the year ended 31 March 2011

1. Principal accounting policies

Accounting convention

The accounts 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 accounts 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 Accounts on the bases recommended by CIPFA and in accordance with the statements of asset valuation principles 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 lower of purchase price, net current replacement cost and net realisable value. Assets not subject to formal valuation in the year have replacement values increased annually by a percentage approximating to general inflation.
- 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 stated at zero value.

Debtors and creditors

The Council's accounts 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 Accounts for the year ended 31 March 2011 (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 Council's contributions during the year ended 31 March 2011 were 18.8% of pensionable salaries, together with additional employer pension fund cost during the year of £4,419.

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

£

Operational land and buildings

Council Offices	1,075,480
Other Public Buildings	440,685
Wrecclesham Community Centre	500,000
Depot	108,211

Vehicles and equipment

Vehicles	32,024
Audio and Visual Systems	21,304
Christmas Decorations	94,394
Civic Insignia	46,066
Grounds Equipment	27,372
Computers, telephones and office equipment	44,008
Other	9,300

Infrastructure assets

Bus shelters	24,819
CCTV	43,324
Boards and Signs	13,303
Litter bins	4,053
Seats	2,782

Community assets

Cemeteries	571,291
Allotments and Gardens	29,857

Total value	3,088,273
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There was a revaluation of fixed assets in the year.

Farnham Town Council
Notes to the Accounts for the year ended 31 March 2011 (continued)

4. Debtors and prepayments	2011	2010
	£	£
Debtors for Council services	16,121	27,390
Value added tax	15,322	60,191
	31,443	87,581

5. Creditors and accrued expenses	2011	2010
	£	£
Trade creditors	75,150	91,432
Income in advance	11,004	0
	86,154	91,432

6. Reserves and Balances

Category	Balance at 31.3.11	Comments
		FTC Policy states that the general reserves should not dip below 50% of the total annual precept or operating expenditure.
Election Fund	£30,962.00	£4,000 was transferred from 2010/11 revenue to cover Election costs. WBC invoices after an election,
Legal Expense fund	£10,000.00	Provision for unexpected legal expenses
New Equipment	£41,565.00	Rolling programme of equipment upgrade
Wrecclesham Community Centre	£26,000.00	Provision for capital works to roof
Bus Shelters	£35,816.00	£4,000 transferred from 2010/11 revenue into Reserves to fund a bus shelter in 2011 where the need was identified in 2010 but the purchase was not made in that financial year.
CCTV Camera in Gostrey Meadow and additional CCTV equipment	£46,388.00	£15,000 was allocated for 2010/11 for a new CCTV camera for Gostrey Meadow, but this was not purchased during this time. £5,000 was allocated at the end of the 2010/11 year for CCTV infrastructure development in anticipation of equipment being relocated after the closure of Farnham Police Station.
Additional Lighting in Gostrey Meadow and by War Memorial	£15,000.00	This work was delayed until the 2011/12 year.

Cemetery Building enhancements	£139,407.00	Major repairs are required for the Hale Cemetery Chapels, plus ongoing work on West Street Cemetery Chapel
Cemetery Enhancements	£15,807.00	Programme of works in association with Friends of Farnham Cemeteries to be agreed Autumn 2011
Repairs to footpaths	£15,000.00	These repairs were authorised following an H&S inspection. Phase 1 complete.
New IT Server	£6,000.00	This money has been allocated as the current server has reached capacity and the manufacturer's warranty has expired.
Farmers' Market	£2,000.00	Equipment replacement, as required
Tourism Development	£27,000.00	Visitor Information Points extension agreed for 2011/12
Speedwatch	£1,000.00	Speedwatch project in Weybourne and Badshot Lea
Public Conveniences	£22,342.00	Upgrades required to improve public conveniences, especially regarding lighting, but details are yet to be confirmed.
Replacement windows in Town Hall	£48,000.00	Agreed for environmental and structural benefits
Internal decoration of Town Hall Building	£38,000.00	Refurbishment following transfer of Town Hall building to Farnham from Waverley Borough Council.
Newsletter	£1,000.00	This is in addition to the revenue budget for Newsletters to take into account the need for additional or extended newsletters to inform residents about new councillors etc
Members' Training	£1,000.00	This is in addition to the revenue budget for Members' Training, to take into account the high number of new councillors who may require additional training
Bandstand	£10,000.00	Initial provision to extend bandstand canopy
Total earmarked reserves	£532,287.00	
General fund	£440,883.00	The General fund figure as at 31.3.11 must not be less than half of the 2011/12 Precept, i.e. not less than £439,200
Total Reserves	£973,170.00	
Refurbishment of Council Chamber		£20,000 has been allocated to replace the Chamber furniture with "something more versatile and practical" in the 2011/12 financial year. Re-adjustment of earmarked reserves to be agreed.

7. Contingent liabilities

There were no contingent liabilities at 31 March 2011 (2010: none).