



Farnham Town Council

Report and Financial Statements

Year ending 31st March 2015

Farnham Town Council

Financial Statements for the year ended 31 March 2015

Explanatory Foreword

Farnham Town Council's Financial Statements for the year ended 31 March 2015 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.

**Farnham Town Council
Balance Sheet at 31 March 2015**

	Notes	31 March 2015		31 March 2014	
		£	£	£	£
Fixed assets					
Tangible fixed assets	1, 3		-		-
Current assets					
Money Market deposits		1,408,323		850,000	
Debtors (including VAT recoverable)	4	55,520		62,196	
Bank/Petty cash		325		458,637	
Mayor's charity funds held by council		6,571		3,178	
Total current assets			1,470,739		1,374,011
Current liabilities					
Creditors and accrued expenses including commercial card and Mayor's charity funds	5		161,540		313,314
Total assets less current liabilities			1,309,199		1,060,695
Capital and reserves					
Earmarked Reserves	6		831,000		594,000
General Reserves			478,199		466,695
Total reserves			1,309,199		1,060,695

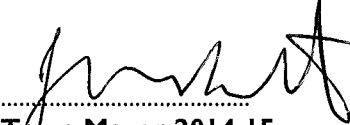
The Council has an outstanding Public Works Loans Board (No 478388) repayable on an annuity basis until 29/10/22.

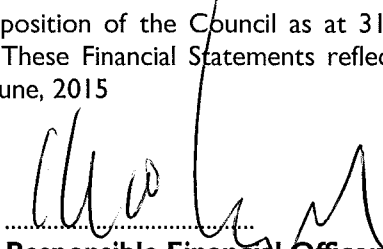
The amount outstanding is: £59,311 £64,406

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 2015 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, 2015


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Town Mayor 2014-15


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Responsible Financial Officer

Farnham Town Council
Income & Expenditure for the year ended 31 March 2015

Expenditure by Working Groups	Year ended 31 March 2015			2013/14
	Expense £	Income £	Net £	Net £
1 Strategy & Finance (excluding precept)	623,790	143,993	479,801	557,986
2 Community Enhancement	226,981	45,630	181,350	187,444
3 Tourism & Events	202,646	50,786	151,861	108,825
4 Cemeteries	248,947	378,146	(129,199)	72,139
<hr/>				
Net cost of services	1,302,364	618,551	683,813	926,394
			£	£
Precept on the Borough Council			932,313	907,859
Surplus/(Deficit) for the year			248,504	(18,537)
Movement on General Fund balance and reserves:				
Balance brought forward			1,060,695	1,079,232
Surplus/Deficit for the year			248,504	(18,537)
Balance carried forward			1,309,199	1,060,695

NB some figures are affected by rounding

Farnham Town Council Balance Sheet at 31 March 2015

	Notes	31 March 2015		31 March 2014	
		£	£	£	£
Fixed assets					
Tangible fixed assets	1, 3		-		-
Current assets					
Money Market deposits		1,408,323		850,000	
Debtors (including VAT recoverable)	4	55,520		62,196	
Bank/Petty cash		325		458,637	
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Total current assets			1,470,739		1,374,011
Current liabilities					
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Total assets less current liabilities			1,309,199		1,060,695
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General Reserves			478,199		466,695
Total reserves			1,309,199		1,060,695

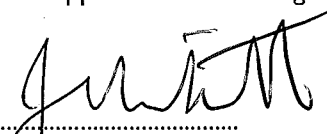
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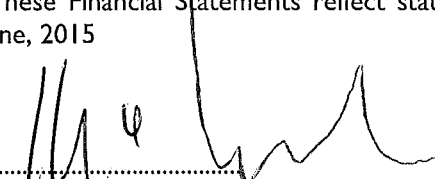
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Town Mayor 2014-15


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Responsible Financial Officer

Farnham Town Council

Notes to the Financial Statements for the year ended 31 March 2015

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 2015
(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 2015	31st March 2014
Operational land and buildings (on historic cost basis)	£	£
Council Offices	261,728	253,591
Other Public Buildings	237,275	236,098
Wrecclesham Community Centre	202,546	111,001
Depot	111,679	106,893
 Vehicles and equipment		
Vehicles	34,024	34,024
Audio and Visual Systems	22,959	22,054
Christmas Decorations	71,237	41,094
Civic Insignia	15,041	15,041
Grounds Equipment	49,686	47,023
Computers, telephones and office equipment	60,644	48,001
Other	6,692	5,820
 Infrastructure assets		
Bus shelters	59,707	49,495
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	199,540	50,383
Allotments and Gardens	25,892	25,892
 Total value	1,434,999	1,122,759

Farnham Town Council
Notes to the Financial Statements for the year ended 31 March 2015
(continued)

4. Debtors and prepayments	2015	2014
	£	£
Debtors	3,382	26,885
Value added tax	52,138	34,025
Prepayments	-	1,286
	55,520	62,196

5. Creditors and accrued expenses	2015	2014
	£	£
Creditors	4,561	169,318
Bank account	45,267	-
Pensions/PAYE/NIC creditor	7,133	8,814
Income in advance	14,697	45,814
Accruals	71,021	81,884
Commutated sums	8,000	-
HSBC Commercial Card	2,392	3,514
Mayor's charity funds held by Council	8,469	3,970
	161,540	313,314

The overdrawn bank account represents cheques issued but not cleared through the bank as at 31st March 2015 and these will be funded by a transfer from the call account.

6. Earmarked Reserves and General Reserves

Category	Balance at 31.3.15	Comments
Election and By-election Fund	£41,000	To cover Election and By-election costs. WBC invoices after an election.
Legal Expense fund	£10,000	To cover unforeseen legal costs.
New Equipment	£72,000	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 31.3.15	Comments
Planning	£25,000	Provision for Neighbourhood Plan.
Environment	£15,000	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	£65,000	Upgrade to improve public conveniences including Gostrey Meadow.
Town Hall	£75,000	Unforeseen/emergency repairs provision
Council Chamber	£25,000	Replacement furniture and equipment
Christmas Lights	£5,000	To fund the purchase of future Christmas Lights
Capital Receipts	163,000	This comprises capital receipts arising from the disposal of fixed assets less expenditure on new capital items.
Total Earmarked	831,000	
General	£478,199	FTC Policy states that the general reserves should not dip below 50% of the total annual precept or operating expenditure.
Total Reserves	£1,309,199	

7. Contingent liabilities

There were no contingent liabilities at 31 March 2015 (2014: none).