

MALVERN TOWN COUNCIL



STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

MALVERN TOWN COUNCIL
STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019

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MALVERN TOWN COUNCIL

2018/2019

COUNCIL INFORMATION

The following schedule sets out details of Members of the Council during the year ended 31 March 2019.

Mayor:	Cllr C Palmer (appointed 22/05/18)
Deputy Mayor:	Cllr B Regimbeau (appointed 22/05/18)
	Cllr J Thomas (appointed 06/02/19)

Members of the Council

Cllr C Bovey	Cllr P Mewton
Cllr J Cain	Cllr N Mills
Cllr H Campbell	Cllr N Morton
Cllr J Campbell (resigned 07/02/19)	Cllr J O'Donnell
Cllr M Campbell	Cllr C Palmer
Cllr S Charles	Cllr B Regimbeau (died 18/11/18)
Cllr M Fletcher (disqualified 04/01/19)	Cllr P Smith
Cllr M Harvey	Cllr J Thomas
Cllr I Hopwood	Cllr P Tuthill
Cllr L Lambeth	Cllr D Watkins

MALVERN TOWN COUNCIL

2018/2019

COUNCIL INFORMATION

Accounts Prepared by

Linda Blake ACMA CPFA

Internal Auditor

Christopher Boyd MA FCA

External Auditor

PFK Littlejohn LLP

MALVERN TOWN COUNCIL

STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

EXPLANATORY FOREWORD

The Accounts and Audit Regulations state that a Council with income or expenditure over £200,000 but less than £6.5 million per annum should be subject to an Intermediate Assurance Review by the External Auditor and must submit an Annual Governance and Accounting Return.

Malvern Town Council must therefore complete, approve and publish the Annual Governance and Accounting Return (AGAR) – Part 3.

As a smaller authority, the Town Council is required by law to:

- a) Prepare Accounting Statements for the year ended 31 March 2019 in the form required by proper practices. In the case of Malvern Town Council, this is the AGAR, Part 3.
- b) At a meeting of Full Council, to sign and approve the AGAR Parts 2 and 3. At the meeting where these are approved, the Council must in the following order:
 - Consider the Accounting Statements
 - Approve the Accounting Statements by Resolution
 - Ensure the Accounting Statements are signed and dated by the person presiding at the meeting at which the approval is given
- c) Consider the Internal Audit work that has been done during the year and ensure the Internal Auditor completes page 3 of the AGAR
- d) Publish on a public website the approved sections of the AGAR and the completed notice of Public Rights and Publication of Unaudited Annual Governance and Accountability Return along with its accompanying notes
- e) Ensure arrangements are in place for the exercise of public rights with an inspection period of 30 working days to include the first ten working days of July.
- f) Submit the approved and signed AGAR along with the list of items required for an intermediate level review to the External Auditor no later than Monday 1 July 2019.
- g) Publish or display the certified Annual Return by 30 September 2019 including the signed external auditor report

PFK Littlejohn LLP have been appointed by Public Sector Appointments Limited to audit the accounts of Malvern Town Council. It has been agreed that all information requested for audit will be provided by Monday 1 July 2019.

The Town Council still publishes its own format of accounts in addition to the AGAR. These accounts are in line with the format of the quarterly accounts subject to Year End Financial

reporting adjustments and allow councillors to see more detail in the Council's Year End Accounting statements.

Council approved a simplified format for its statement of accounts in April 2010 and Malvern Town Council's financial statements for the year ended 31 March 2019 are set out in the following pages.

Summary Budget / Actual Comparison for the Year

This compares current year income and expenditure with the previous year and also with the current year's budget. Explanations of the major variances are explained within the accounts.

The Income and Expenditure Account

This illustrates the Council's revenue account, covering income and expenditure and allocating them across the departmental headings. Movements on the general fund are detailed at the bottom of the Consolidated Revenue Account in order to reconcile the net surplus or deficit from expenditure against services to the council's spending against council tax raised, taking into account the use of reserves built up in the past and contributions to funds and reserves.

The Balance Sheet

This sets out the financial position of the Council at 31 March 2019 i.e. its assets and liabilities at that date. Local authorities are required to include capital reserves on their balance sheet which are used to account for the financing of fixed assets. These reserves do not have equivalents in other sectors.

Notes to the Financial Statements

These include supporting notes on:

Fixed Assets	Stocks, Debtors and Cash in Hand and at Bank
Creditors	Borrowings
Movements in Reserves	Earmarked and Special Reserves
Staffing Structure	Section 137 Expenditure
Publicity	

MALVERN TOWN COUNCIL 2018/19 ACCOUNTS

SUMMARY BUDGET / ACTUAL COMPARISON FOR THE YEAR 2018/19

	2018/19 Budget	2018/19 Actual	2017/18 Actual
<u>Gross Income</u>			
Rental Income	58,257	58,225	55,268
Other Administration / Event related	4,250	2,809	5,359
Allotments	5,378	5,234	5,146
Cemetery	65,280	59,065	76,629
Grounds Maintenance	9,613	9,847	13,741
Leisure and Recreation	17,243	17,543	17,465
Interest Receivable	3,225	6,314	3,678
Council Tax Support Grant	-	-	19,282
Deferred Grants *	-	8,893	8,893
	<u>163,246</u>	<u>167,930</u>	<u>205,461</u>
<u>Administration</u>			
Paycost	228,697	205,950	212,048
Utilities	6,936	6,389	7,313
Rates	9,043	8,532	8,867
Maintenance of Buildings	11,868	16,068	13,239
Communication Costs	14,205	22,670	11,131
Insurance	18,750	19,135	17,884
Professional and Consultancy Fees	8,350	11,525	29,521
IT Expenses	2,346	4,346	4,243
Leasing	1,708	1,340	1,564
Depreciation *	-	23,750	23,750
Miscellaneous	18,835	14,558	14,104
	<u>320,738</u>	<u>334,263</u>	<u>343,664</u>
<u>Operations</u>			
Paycost	235,339	231,079	226,715
Utilities	15,563	15,219	17,201
Rates	9,462	9,968	9,278
Maintenance of Buildings	3,852	3,516	2,806
Communication Costs	2,213	2,296	2,089
Maintenance of Grounds	36,002	30,918	32,101
Equipment and Vehicle Running Costs	17,065	15,709	13,064
Depreciation *	-	80,096	77,597
Miscellaneous	3,325	2,565	3,264
	<u>322,821</u>	<u>391,366</u>	<u>384,115</u>
<u>Discretionary Costs</u>			
Grants and Donations	48,600	47,326	47,434
Events	43,950	41,820	40,330
Depreciation *	-	4,463	3,698
	<u>92,550</u>	<u>93,609</u>	<u>91,462</u>

* These items are not currently included within the budget, but form part of the year end financial reporting adjustments.

MALVERN TOWN COUNCIL 2018/19 ACCOUNTS

SUMMARY BUDGET / ACTUAL COMPARISON FOR THE YEAR 2018/19

	2018/19 Budget	2018/19 Actual	2017/18 Actual
<u>Asset Renewal and Refurbishment</u>			
Litter Bins	-	3,898	-
Dukes Meadow Replacement Play Area Fencing	-	-	8,995
Dukes Meadow MUGA Replacement Goals and Hoops	-	-	4,900
Dukes Meadow MUGA Replacement Play Area Fencing	-	-	3,939
Dukes Meadow Replacement of Climbing Wall	8,000	-	
Lower Howsell Toddler Climbing Frame	4,500	-	
Victoria Park Fencing Project	-	-	3,300
Victoria Park Replacement of Climbing Frame	15,000	-	-
Victoria Park Play Area Fencing	9,000	9,250	
Edging Works; Lansdowne Crescent and Station Gardens	4,000	4,200	
New Junior Football Goals	-	-	940
Townsend Way Replacement of Play Area Fencing	-	-	5,435
Cemetery Refurbishment Project	-	-	7,250
Cemetery Extension Project	-	-	12,026
Cemetery Roofing of Composting Area	4,500	3,000	-
Play Area Wetpour Expenditure	-	-	7,166
Refurbishment Projects at Belle Vue	-	-	6,585
New Operational Mower	14,500	-	-
New Trailer	2,000	-	-
Christmas Lights	-	-	-
Contingency Fund	20,000	-	-
<u>Special Expenditure</u>			
Early Retirement Costs	7,094	7,156	6,954
Special Expenditure Total	<u>88,594</u>	<u>27,504</u>	<u>67,490</u>
Gross Expenditure Total	<u>824,703</u>	<u>846,742</u>	<u>886,731</u>
Net Cost of Services	<u>661,458</u>	<u>678,812</u>	<u>681,270</u>
Add Movements to Reserves	5,000	29,500	27,000
Less Movements from Reserves	(16,500)	(37,605)	(95,232)
Reversal of Depreciation	-	(108,309)	(105,045)
Transfer of Profit on Loss on Disposal of Assets	-	-	-
Reversal of Deferred Contributions	-	8,893	8,893
Capital Financed from Revenue	-	42,522	9,724
Adjusted Net Expenditure for the Year	<u>649,958</u>	<u>613,813</u>	<u>526,610</u>
Precept on the District Council	650,000	650,000	590,718
(Surplus) / Deficit for the year	<u>(43)</u>	<u>(36,187)</u>	<u>(64,108)</u>

MALVERN TOWN COUNCIL

SUMMARY OF MAJOR VARIANCES - FINANCIAL YEAR 2018/19

A Summary of the major points contributing to the variance of actual from budget for the YEAR, is as follows:

Comments have been made where variances are greater than 10% of the budgeted amount

INCOME - surplus income is shown in brackets

Malvern in Bloom Sponsorship

Obtaining sponsorship for hanging basket poles, flower planters and troughs has become increasingly difficult and in 2018/19, the target income level was not reached. 879

Administration Income General

There is lower than expected income in this year as a result of the end of the Route to the Hills Officer's contract. Income was previously received by MTC for the use of Office space at Belle Vue Terrace, but this ceased after the first quarter of 2018/19. 562

Cemetery Income

It is difficult to accurately budget for cemetery income and following a surplus of income in 2017/18, income has fallen to only 90% of the level budgeted in 2018/19. 6,215

Interest Receivable

The Council now has investments with both the Public Sector Deposit Fund and the CCLA's Property Investment Fund and dividends and interest paid on these have resulted in income above the expected level. (3,089)

Deferred Grants

This item is not included in the annual budget and is an adjustment required in the Year End Accounts. (8,893)

COSTS - Expenditure below budget and therefore causing a surplus is shown in brackets

ADMINISTRATION

Employment Related Costs

There is an underspend against employment related costs due to lower than expected pension costs. The Council's auto-enrolment start date for pensions was 1 April 2017, but staff can choose either to opt out of the scheme or to pay 50% contributions if they wish. The budget allows for all administration staff to be in the pension scheme, but costs have been less than this in 2018/19, due to a number of staff choosing either not to enrol or not to pay full contributions. (20,714)

Recruitment Costs

The Council has only incurred minimal recruitment costs during the year as there have been no full time vacancies to fill. (1,304)

Maintenance of Belle Vue Terrace Buildings

Costs were incurred during the year for emergency repairs to the lift required for health and safety reasons. 1,100

There have also been costs to replace windows in the middle flat and a window in the ground floor annexe. 2,901

Communication Costs - Town Council Website

A budget was allocated to upgrade the Town Council's website during the 2017/18 year. This project was delayed and with a contractor only being engaged in May 2018 expenditure has been seen in a later financial year than anticipated. Funds were held in reserves for this project and a corresponding release has been made. 12,955

Communication Costs - Landlines

Landline costs at Belle Vue Terrace have been well under budget for the year, due to a reduction in the amount of calls made. (1,305)

Communication Costs - Stationery

Expenditure on stationery has again been lower than expected. Supplies are purchased as and when necessary with costs against computer supplies particularly low in this year. (1,770)

Communication Costs - Photocopier charges

Costs for photocopying have remained low during the year. This may be linked to a reduction in the amount of events held during 2018/19 as these necessitate photocopying for advertisement purposes. The Council is also carrying out more business online by way of email and social media. (1,019)

Professional Fees - Legal Fees

The costs of legal fees are accrued throughout the year and reviewed and adjusted at year end. An underspend therefore exists as a result of year end adjustments to the legal accrual. Legal costs have been much lower than anticipated during the year, with expenditure of approximately £700 against a budget of £4,500. (3,831)

Professional Fees - Neighbourhood Plan

There have been some costs incurred in respect of taking the Neighbourhood Plan to its final referendum stage. Although this is above the originally budgeted amount for this project, these costs were agreed by Council and Malvern's Neighbourhood Plan was successfully passed at Referendum in May 2019, with 86% voting in favour. 3,528

Council Governance Review

In 2018, Council employed an external consultant to undertake a Governance review and to look at the structure of the Town Council and its Committees. This review was agreed by Council as expenditure additional to the budget, but does appear as an overspend against the original budget in this financial year. 2,814

MALVERN TOWN COUNCIL

SUMMARY OF MAJOR VARIANCES - FINANCIAL YEAR 2018/19

IT Expenses	
There is an overspend due to the renewal of the Council's SAGE Accounting Support Cover. This is required to provide technical support for the SAGE accounts programme, but was omitted from the budget for 2018/19.	1,374
Leasing	(368)
Due to a new contract being implemented in the first quarter, but slightly delayed, leasing costs were only incurred for ten months rather than twelve.	
Depreciation	
This item is currently not included in the budget and forms part of the year end adjustments.	23,750
Miscellaneous - Mayoral Allowance	
The budget for the Mayoral Allowance was increased in 2018/19 to allow for more twinning visits as required. The Mayor took part in a year which was full of civic engagements, but there is still an underspend against budget.	(1,968)
Miscellaneous - Health and Safety Expenditure	
Health and Safety requirements have been met throughout the year, but the full budget allocation has not been used.	(1,511)

OPERATIONS

Employment Related Costs	
There were changes during the second quarter with regard to the number of staff enrolled in the pension scheme. There is an underspend as fewer staff are in the full scheme than anticipated within the budget.	(3,465)
GROUPS MAINTENANCE COSTS	
Play Areas	
There have been minimal costs in respect of maintenance at Play Areas during this financial year. The Council allows a generous annual budget to cover essential works as necessary. An annual inspection is carried out at each play area by a qualified contractor to identify any works needed. Regular inspections are also carried out by Town Council staff. The level of asset replacement works in this year may have also reduced the amount of general maintenance required.	(5,422)
Elgar Avenue - Outline Planning Permission	2,338
Costs have been incurred in respect of works required at Elgar Avenue as part of an outline planning application. This expenditure included a tree survey and ecological survey.	
Bedding Plants	(495)
The contract for bedding plants is tendered annually with savings achieved against budget in 2018/19 due to the use of slightly less expensive plants.	
Tree Surgery	(1,070)
An increased budget of £5,000 was included in the 2018/19 year for tree surgery. Works have been carried out as required throughout the year, but savings have been made against budget, mainly due to low expenditure in the final quarter.	
Gas Lamp Maintenance	(445)
At year end, total costs for the year are balanced against accruals and the required adjustment has resulted in an underspend for the financial year as a whole.	
Repairs and Maintenance to Equipment	(1,469)
There has been an underspend against repairs to operational machinery for the year. Machinery has been serviced and repaired as necessary, but costs are often reduced as operational staff are able to undertake some general maintenance themselves.	
Depreciation	80,095
This item is currently not included in the budget and forms part of the year end adjustments.	
Miscellaneous - Training Costs	(770)
A P6 handheld sprayer course was provided during the fourth quarter, but no other expenditure incurred during the year. It should be noted that regular training is provided as required.	

DISCRETIONARY COSTS

Events - Armed Forces Day	
The Town Council decided not to hold an Armed Forces Day Event in 2018, resulting in the budget amount being unspent	(3,000)
Events - General Equipment	
Some of the year end underspend was used during the year to purchase tables, chairs and barriers for events.	718
Depreciation	
This item is currently not included in the budget and forms part of the year end adjustments.	4,463

MALVERN TOWN COUNCIL

SUMMARY OF MAJOR VARIANCES - FINANCIAL YEAR 2018/19

ASSET REFURBISHMENT / RENEWAL

Litter Bins	3,898
As the stock of litter bins had run out during the year, Council agreed to purchase five new bins in order to meet any future demand for new litter bins or replace damaged ones as necessary. Additionally four new bins were purchased after a litter bin survey in Malvern Link; these were part funded by a County Councillor.	
Dukes Meadow Replacement of Rockwall	(8,000)
Although included in the budget for 2018/19, the cost of this climbing wall was capitalised as part of the Year End Accounting Process.	
Lower Howsell Toddler Climbing Frame	(4,500)
Although included in the budget for 2018/19, the cost of this climbing frame was capitalised as part of the Year End Accounting Process.	
Victoria Park Replacement of Climbing Frame	(15,000)
Although included in the budget for 2018/19, the cost of this climbing frame was capitalised as part of the Year End Accounting Process.	
Cemetery Roofing of Composting Area	(1,500)
This project was completed with significant savings against the original budget	
Replacement Mower and Trailer	(16,500)
Although included in the budget for 2018/19, the cost of these items was capitalised as part of the Year End Accounting Process.	
Contingency Fund	(20,000)
Although included in the budget for the first time in 2018/19, expenditure has remained below the annual budget as a whole for the year and therefore the contingency fund was not required	

EARMARKED RESERVES

Special Grants Reserve	(1,150)	
£7,000 of reserves were allocated for Special Grants during the year and in 2018/19, £8,150 of awards were made; therefore a net release of £1,150 of funds is required at Year End.		
Town Council Website	(12,955)	
An Earmarked Reserve was allocated for a new Town Council website. This project was initially scheduled for 2017/18, but was delayed whilst a suitable contractor was found. This project was undertaken in the 2018/19 year and therefore the corresponding release from Earmarked Reserves has now been made, in a later financial year than anticipated.		
Victoria Park Pavilion Planning Reserve	10,000	
Council agreed as part of the year end review of Earmarked Reserves to set aside £10,000 of reserves for any initial costs incurred for the planning stages of the redevelopment of Victoria Park Pavilion. This Earmark was created at Year End.		
Vehicle Machinery Replacement Fund	7,500	
As part of the re-forecast for 2018/19, Officers have included a larger contribution to the Vehicle Machinery Replacement Fund for the final two quarters of the year. This utilises some of the budget underspend whilst boosting this fund.		
	Budget 2018/19	(43)
	Year End Surplus	(36,187)
	Variance against Budget	(36,144)

MALVERN TOWN COUNCIL 2018/19 ACCOUNTS
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR
ENDED 31 MARCH 2019

Cost of Services	-----2019-----			2018
	Gross expend- iture £	Gross income £	Net expend- iture £	Net expend- iture £
Cemetery	124,276	59,065	65,211	<i>69,129</i>
Allotments	17,264	5,234	12,030	<i>14,360</i>
Maintenance of other Town Council grounds	142,100	9,847	132,253	<i>98,661</i>
Leisure and recreation services	113,130	17,543	95,587	<i>121,990</i>
Miscellaneous services	27,316	-	27,316	<i>53,701</i>
Other services provided to the public	163,861	2,621	161,240	<i>134,808</i>
Administration - Corporate and democratic support	189,295	58,413	130,882	<i>116,240</i>
Administration - Professional support	22,174	-	22,174	<i>40,908</i>
Grants to local bodies	47,326	-	47,326	<i>47,434</i>
 NET COST OF SERVICES	 <u>846,742</u>	 <u>152,723</u>	 <u>694,019</u>	 <u>697,231</u>
(Profit) / Loss on sale of fixed assets			-	(3,390)
Interest, deferred grants and investment income			(15,207)	(12,571)
NET OPERATING EXPENDITURE			<u>678,812</u>	<u>681,270</u>
Precept on District Council			(650,000)	(590,718)
(SURPLUS) / DEFICIT FOR THE YEAR			<u>28,812</u>	<u>90,552</u>
<u>Reconciliation of Items for Movement on General Fund</u>				
Removal of depreciation and deferred contributions to avoid impact on precept			(99,416)	(96,152)
Movement on Earmarked Reserves			(8,105)	(68,232)
Fixed Asset Disposals			-	-
Capital Financed from Revenue			42,522	9,724
Removal of Income from Sale of Land to Reserves			-	-
Surplus for the Year Ended 31 March 2019 after movements on General Fund			<u>(36,187)</u>	<u>(64,108)</u>

MALVERN TOWN COUNCIL 2018/19 ACCOUNTS
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

	Notes	2019 £	2018 £
FIXED ASSETS	1		
Operational assets			
Land and buildings		1,621,106	1,697,692
Plant, vehicles and equipment		88,573	64,963
Infrastructure		-	-
Non-operational assets		<u>-</u>	<u>-</u>
		<u>1,709,679</u>	<u>1,762,655</u>
Long Term Investments	2	247,877	247,877
CURRENT ASSETS			
Stocks	3	-	-
VAT recoverable		11,679	8,217
Debtors	4	4,980	8,969
Payments in advance		13,157	12,541
Cash in hand and at bank	5	<u>446,882</u>	<u>423,087</u>
		<u>476,698</u>	<u>452,814</u>
CURRENT LIABILITIES			
Creditors	6	(66,374)	(55,240)
Receipts in advance		(6,150)	(8,671)
Short term borrowing	7	<u>-</u>	<u>-</u>
		<u>(72,524)</u>	<u>(63,911)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,361,730	2,399,435
LONG TERM BORROWING	7	-	-
DEFERRED GRANTS AND CONTRIBUTIONS		(131,249)	(140,142)
TOTAL ASSETS LESS LIABILITIES		<u>2,230,481</u>	<u>2,259,293</u>
REPRESENTED BY:			
Fixed asset restatement account	8	1,405,461	1,406,697
Capital financing account	8	54,862	110,520
Earmarked and special reserves	9	263,932	272,037
Balance on income and expenditure account		506,226	470,039
		<u>2,230,481</u>	<u>2,259,293</u>

These financial statements were approved by the Council on 12 June 2019 and signed on its behalf:

.....
Town Mayor

.....
Town Clerk

MALVERN TOWN COUNCIL 2018/19 ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. FIXED ASSETS

1.1 Movements in fixed assets

	Operational property £	Vehicles, plant & machinery £	Infra- structure £	Totals	
				2019 £	2018 £
Cost					
At 1 April 2018	1,903,700	531,782	8,608	2,444,090	2,429,995
Additions	-	55,333	-	55,333	29,116
Revaluation	-	-	-	-	-
Disposals	-	(1,236)	-	(1,236)	(15,021)
At 31 March 2019	<u>1,903,700</u>	<u>585,879</u>	<u>8,608</u>	<u>2,498,187</u>	<u>2,444,090</u>
Depreciation					
At 1 April 2018	206,008	466,819	8,608	681,436	591,412
Charge in year	76,586	31,723	-	108,309	105,045
Revaluation	-	-	-	-	-
Eliminated on disposals / revaluation	-	(1,236)	-	(1,236)	(15,021)
At 31 March 2019	<u>282,594</u>	<u>497,306</u>	<u>8,608</u>	<u>788,507</u>	<u>681,435</u>
Net Book Value					
At 31 March 2019	<u>1,621,106</u>	<u>88,573</u>	<u>-</u>	<u>1,709,679</u>	<u>1,762,655</u>
At 31 March 2018	<u>1,697,692</u>	<u>64,963</u>	<u>-</u>	<u>1,762,655</u>	<u>1,838,584</u>

1.2. Valuation of fixed assets

The Code of Practice on Local Authority Accounting in Great Britain requires that all assets are re-valued at least once every five years.

A valuation of the Council's Offices on Belle Vue Terrace was carried out by the Valuation Agency as at 1 April 2016, the next valuation is therefore due on 1 April 2021.

The Council's Operational Properties were valued as at 1 April 2015 by the Valuation Agency as at 1 April 2015. These properties therefore next become due for valuation on 1 April 2020.

1.3. Note on Rose Bank Gardens

The Council began a 99 year lease of Rose Bank Gardens on 15 February 2012. CIPFA SORP states that Community Assets should be included at their historical cost which is nil as the gardens were gifted to Malvern Hills District Council (the lessor) and are being leased on a peppercorn rent. Therefore a nil value has been assumed.

2. LONG TERM INVESTMENTS

Long term investments represent the funds held by the Council in a Local Authorities Property Fund as well as Earmarked Reserves which are held on a long term basis.

	2019	2018
Local Authorities Property Fund	66,484	66,484
Long Term Earmarked Reserves	181,393	181,393
	<u>247,877</u>	<u>247,877</u>

3. STOCKS

The Council has resolved that stocks with a value of less than £2,500 are not material to the accounts. There is, accordingly, no stock shown in the balance sheet.

4. DEBTORS

An analysis of debtors is as follows:

	2019	2018
Interest receivable on investments and bank accounts	1,077	892
Sundry debtors	3,903	8,077
	<u>4,980</u>	<u>8,969</u>

MALVERN TOWN COUNCIL 2018/19 ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

5. CASH IN HAND AND AT BANK	2019	2018
Current Account	59,575	15,711
Scottish Widows 7 Day Notice Account		
Public Sector Deposit Account	568,516	588,516
less Long Term Earmarked Reserves	(181,393)	(181,393)
Petty Cash	184	253
Cheques Received not Banked	-	-
	<u>446,882</u>	<u>423,087</u>

6. CREDITORS	2019	2018
An analysis of creditors is as follows:		
HM Revenue & Customs	10,509	10,578
Creditors	42,455	25,634
Accruals	13,410	19,028
	<u>66,374</u>	<u>55,240</u>

7. BORROWINGS At 31 March 2019, the Council had no loans outstanding.

8. STATEMENT OF TOTAL MOVEMENT IN RESERVES

	Capital accounts		Revenue reserves		Totals	
	Fixed asset restatement	Capital financing	General	Earmarked and special	2019	2018
	£	£	£	£	£	£
Balance at 1 April 2018	(1,406,697)	(110,520)	(470,039)	(272,037)	(2,259,293)	(2,349,845)
Net (surplus)/deficit for year	-	-	(36,187)	-	(36,187)	(64,108)
Disposal of fixed assets	1,236	(1,236)	-	-	-	-
Revaluation / Impairment	-	-	-	-	-	-
Release of retentions	-	-	-	-	-	-
Movements on EM reserves	-	-	-	8,105	8,105	68,232
Net depreciation of fixed assets	-	99,416	-	-	99,416	96,152
Financing of fixed assets	-	(42,522)	-	-	42,522	(9,724)
Balance at 31 March 2019	<u>(1,405,461)</u>	<u>(54,862)</u>	<u>(506,226)</u>	<u>(263,932)</u>	<u>(2,230,481)</u>	<u>(2,259,293)</u>

9. EARMARKED AND SPECIAL RESERVES

The Council has adopted, as a key element of its financial strategy, a policy of developing reserve funds against future known or anticipated commitments. The policy includes a recognition of the need to maintain assets in a fit and proper condition such that their value, both operational and financial, will remain the same over time.

The reserves also include two perpetuity funds: that is funds where the capital amount is required to be maintained intact and invested, with the income generated being applied for maintenance purposes. In one case, the fund is in respect of a section 106 payment from Malvern Hills District Council.

A Vehicle and Machinery Reserve also exists to smooth the impact of the purchase of these larger items against the annual precept. Funds are built up annually and then released only when Vehicles and or Machinery are required.

Details of movements on individual reserves are set out below:

Name of Reserve	Year ended 31 March 2019			
	Balance as at 1 April 2018	Addition to reserves	Contributions from reserves	Balance as at 31 March 2019
	£	£	£	£
Elections	14,640	-	-	14,640
Cemetery extension	16,659	-	-	16,659
Asset Repair and Development Reserve	28,416	10,000	(12,955)	25,461
Grants	6,699	7,000	(8,150)	5,549
Vehicle and Machinery Replacement Fund	40,889	12,500	(16,500)	36,889
Allotment Reserve	50,000	-	-	50,000
Capital Receipts Reserve	48,250	-	-	48,250
Graves perpetuity	5,284	-	-	5,284
Townsend Way - s106 perpetuity	61,200	-	-	61,200
	<u>272,037</u>	<u>29,500</u>	<u>(37,605)</u>	<u>263,932</u>

MALVERN TOWN COUNCIL 2018/19 ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

10. STAFFING STRUCTURE

The Council's approved and actual establishment at the year end was:

	2019	2018
Operations management	1.0	1.0
Operations Staff	8.0	8.0
Total Operations Staff	<u>9.0</u>	<u>9.0</u>
Administrative and Corporate support	4.5	4.5
Town Clerk	1.0	1.0
Total numbers:	<u>14.5</u>	<u>14.5</u>
Full time equivalents	<u>14.5</u>	<u>14.5</u>

11 SECTION 137 EXPENDITURE

Section 137 of the Local Government Act 1972 (as amended) enables the Council to spend, in any single year, up to a specified product per head for each registered elector in Malvern Town, on activities and projects which are not authorised specifically by any other statute. All such expenditure must be declared by the Council to be for the benefit of all or some of the inhabitants of the Town.

	2019	2018
Annual product per head	£7.86	£7.57
Number of registered electors	22,864	22,864
Maximum permissible amount under section 137	<u>179,711</u>	<u>173,080</u>
Expenditure during the year comprised the following:		
Remembrance Observation	1,592	519
Other grants and donations	20,639	21,892
Citizen's Advice Bureau Grant	15,500	15,000
Community Action Grant	<u>10,900</u>	<u>10,900</u>
	<u>48,631</u>	<u>48,311</u>

12. PUBLICITY

The Local Government Act 1986 requires the Council to disclose expenditure on publicity. Gross expenditure on publicity and advertising during the year was as follows:

	2019	2018
Public consultation	-	-
Council Newsletter	2,786	1,393
Statutory and public notices	228	753
Availability of grants	250	190
Neighbourhood Plan Publicity	325	2,070
Events Publicity	237	758
Employment Vacancies	146	-
	<u>3,972</u>	<u>5,164</u>