

# **MALVERN TOWN COUNCIL**



## **STATEMENT OF ACCOUNTS** **FOR THE YEAR ENDED 31 MARCH 2020**

**MALVERN TOWN COUNCIL**  
**STATEMENT OF ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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## **MALVERN TOWN COUNCIL**

**2019/2020**

### **COUNCIL INFORMATION**

The following schedule sets out details of Members of the Council from the elections held on 2 May 2019 until 31 March 2020.

<b>Mayor:</b>	Cllr N Morton (appointed 22/05/19)
<b>Deputy Mayor:</b>	Cllr L Lambeth (appointed 22/05/19)

### **Members of the Council**

Cllr C Bovey	Cllr N Mills
Cllr S Charles	Cllr N Morton
Cllr J Dallow	Cllr J O'Donnell
Cllr C Hooper	Cllr C Palmer
Cllr N Houghton	Cllr D Roberts (co-opted 22/05/19)
Cllr L Lambeth	Cllr P Smith
Cllr J Leibrandt	Cllr S Taylor
Cllr L Lowton	Cllr J Thomas (resigned 9/3/20)
Cllr R McLaverty-Head (co-opted 22/05/19)	Cllr P Tuthill
Cllr P Mewton	Cllr D Watkins

**MALVERN TOWN COUNCIL**

**2019/2020**

**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 2020**

#### **EXPLANATORY FOREWORD**

The Accounts and Audit Regulations state that a Council where the higher of gross income or gross expenditure exceeded £200,000 but did not exceed £6.5 million will be subject to a Smaller Authorities Limited Assurance Level Review by the External Auditor and must submit an Annual Governance and Accounting Return (AGAR) – Part 3.

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

- a) Prepare Accounting Statements for the year ended 31 March 2020 in the form required by proper practices.
- b) Consider the Internal Audit work that has been done during the year and ensure the Internal Auditor completes page 3 of the AGAR.
- c) Consider the findings of the Council's review of the effectiveness of the system of Internal Control.
- d) At a meeting of Full Council, sign and approve the AGAR Sections 1 and 2. At the meeting where these are approved, the Council must in the following order:
  - Approve Section 1 of the AGAR, the Annual Governance Statement.
  - Consider the Accounting Statements.
  - Approve Section 2 of the AGAR, 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.
- e) 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
- f) Ensure arrangements are in place for the exercise of public rights with an inspection period of 30 working days. This will take place from Friday 28 August until Friday 9 October 2020.
- g) 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 Friday 28 August 2020.
- h) Publish or display the certified Governance and Accountability Return by Friday 28 August 2020, 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 Friday 28 August 2020.

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 2020 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 2020 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 2019/20 ACCOUNTS

### SUMMARY BUDGET / ACTUAL COMPARISON FOR THE YEAR 2019/20

	2019/20 Budget	2019/20 Actual	2018/19 Actual
<b><u>Gross Income</u></b>			
Rental Income	58,257	48,702	58,225
Other Administration / Event related	3,250	2,701	2,809
Allotments	5,328	5,435	5,234
Cemetery	65,000	51,066	59,065
Grounds Maintenance	9,366	7,430	9,847
Leisure and Recreation	17,575	16,681	17,543
CIL Funding	-	36,666	-
Interest Receivable	6,000	4,606	6,314
Deferred Grants *	-	8,893	8,893
	<u>164,776</u>	<u>182,180</u>	<u>167,930</u>
<b><u>Administration</u></b>			
Paycost	227,886	193,232	205,950
Utilities	6,937	9,009	6,389
Rates	8,705	10,249	8,532
Maintenance of Buildings	11,095	11,548	16,068
Communication Costs	13,394	11,647	22,670
Insurance	20,000	19,824	19,135
Professional and Consultancy Fees	23,500	16,346	11,525
IT Expenses	2,346	3,989	4,346
Leasing	1,485	1,432	1,340
Depreciation *	-	23,750	23,750
Miscellaneous	18,360	15,920	14,558
	<u>333,708</u>	<u>316,946</u>	<u>334,263</u>
<b><u>Operations</u></b>			
Paycost	238,663	238,414	231,079
Utilities	16,539	16,196	15,219
Rates	10,168	10,684	9,968
Maintenance of Buildings	3,549	1,685	3,516
Communication Costs	2,262	2,182	2,296
Maintenance of Grounds	35,972	26,894	30,918
Equipment and Vehicle Running Costs	17,522	15,263	15,709
Depreciation *	-	76,813	80,096
Miscellaneous	3,424	3,024	2,565
	<u>328,099</u>	<u>391,155</u>	<u>391,366</u>
<b><u>Discretionary Costs</u></b>			
Grants and Donations	51,600	51,470	47,326
Events	42,000	41,050	41,820
Depreciation *	-	6,583	4,463
	<u>93,600</u>	<u>99,103</u>	<u>93,609</u>

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

# **MALVERN TOWN COUNCIL 2019/20 ACCOUNTS**

## **SUMMARY BUDGET / ACTUAL COMPARISON FOR THE YEAR 2019/20**

	2019/20 Budget	2019/20 Actual	2018/19 Actual
<b><u>Asset Renewal and Refurbishment</u></b>			
Litter Bins	-	2,940	3,898
New Car Park at Lower Howsell	13,000	7,700	-
Victoria Park Relocation of Bowling Green Fence	4,500	3,150	-
Victoria Park Tarmac Pickersleigh Road Car Park	4,000	1,570	-
Victoria Park Replacement Signage	1,500	1,422	-
Craeg Lea New Teenage Climbing Frame	10,000	-	-
Adam Lea Replacement of Chain Link Fencing	2,500	2,350	-
Adam Lea Replacement of Hoop Top Fencing	7,500	7,050	-
Victoria Park Play Area Fencing	-	-	9,250
Victoria Park New Pavilion Project	-	1,200	-
Edging Works; Lansdowne Crescent and Station Gardens	-	-	4,200
Stone Allotment Entrance to Goodwood Road Allotments	3,000	1,850	-
Roofing of Cemetery Composting Area	4,000	3,000	3,000
New Server at Belle Vue Offices	10,000	11,044	-
Refurbishment of Flats at Belle Vue Terrace	-	10,000	-
Overhaul of AUSA 4 x 4	3,000	980	-
Contingency Fund	10,000	2,117	-
<b><u>Special Expenditure</u></b>			
Early Retirement Costs	7,294	7,331	7,156
Special Expenditure Total	80,294	63,704	27,504
Gross Expenditure Total	835,701	870,908	846,742
Net Cost of Services	670,926	688,728	678,812
Add Movements to Reserves	10,000	56,666	29,500
Less Movements from Reserves	(18,000)	(20,980)	(37,605)
Reversal of Depreciation	-	(107,146)	(108,309)
Transfer of Profit on Loss on Disposal of Assets	-	-	-
Reversal of Deferred Contributions	-	8,893	8,893
Capital Financed from Revenue	-	8,450	42,522
Adjusted Net Expenditure for the Year	662,926	634,611	613,813
Precept on the District Council	663,000	663,000	650,000
<b>(Surplus) / Deficit for the year</b>	<b>(75)</b>	<b>(28,389)</b>	<b>(36,187)</b>



**SUMMARY OF MAJOR VARIANCES - FINANCIAL YEAR 2019/20**(Under)/over  
budget

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

**Comments have been made where variances are greater than 10% of the budgeted amount****INCOME - surplus income is shown in brackets****Rental Income**

The top flat at the rear of Belle Vue Terrace has been vacant for the entire financial year and the middle flat also became vacant in August 2019. Council decided that rather than re-let the flats immediately, refurbishment works would take place to improve the interiors. Therefore, very little income has been received throughout 2019/20.

9,630

**Other Event-related Income - Malvern in Bloom Sponsorship**

Obtaining sponsorship for hanging basket poles, flower planters and troughs has become increasingly difficult and income in 2019/20 did not reach the amount budgeted.

439

**Cemetery Income**

It is difficult to accurately budget for cemetery income and income has been much lower than expected throughout 2019/20. Revenue from the cemetery is 22% lower than the expected level for the financial year as a whole.

13,934

**Grounds Maintenance - Roundabout Sponsorship**

Due to the planned changes to the Newlands roundabout in preparation for the new housing development, the sponsorship signs were removed from this roundabout. This has resulted in income being only 50% of budget for the year.

1,410

**CIL Funding**

During the year, CIL funds were received, relating to the new development off Brookfarm Drive in Chase Ward. These funds, 15% of CIL monies received by Malvern Hills District Council, were not included in the budget and have been transferred into Earmarked Reserves awaiting a Council agreed project to utilise them.

(36,666)

**Interest Receivable**

The Council has investments with both the Public Sector Deposit Fund and the CCLA's Property Fund. After a high level of interest was received in 2018/19, rates have fallen in this financial year resulting in less interest being received.

1,394

**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****Paycost - Salaries**

There has been an underspend against administration salaries during the 2019/20 year. The Council's Events Officer left in March 2019 and a streamlined staffing restructure has now been put into place with existing staff being utilised to fill the events position and a slight increase in hours and responsibility levels. The re-organisation has been a success and has resulted in budget savings which have been seen throughout the entire financial year.

(17,561)

**Paycost - 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 and to pay full contributions, but costs have been less than this throughout the 2019/20 financial year.

(16,256)

**Paycost - Recruitment Costs**

The Council has not needed to recruit any staff during the year as there have been no vacancies to fill.

(1,450)

**Utilities**

Electricity costs have been higher than expected at the Belle Vue Terrace building. Despite being in a fixed price contract, usage has increased during this year.

1,025

**Rates**

There has been an overspend against this cost code for the year, due to the need to pay council tax charges for the two flats at the rear of Belle Vue Terrace whilst they have been vacant and undergoing refurbishment.

1,544

**SUMMARY OF MAJOR VARIANCES - FINANCIAL YEAR 2019/20**(Under)/over  
budget**Communication Costs**

Despite the overspend from a new telephone system including six new phones being installed in September 2019, general expenditure on stationery, photocopying and franking has been well under budget for the year. This is largely as a result of the Council's decision to switch to paperless dispatches and the savings achieved as a result of this change.

(1,747)

**Professional Fees - Election Costs**

Town Council elections took place in May 2019 but as only three wards were contested, savings were achieved against the total budgeted cost of £15,000.

(4,670)

**Professional Fees - Legal Fees**

The costs of legal fees are accrued throughout the year and reviewed and adjusted at year end. An underspend has resulted following year-end adjustments to the legal accrual. Legal costs have been much lower than anticipated during the year, with expenditure of approximately £500 against a budget of £4,500.

(3,187)

**Professional Fees - Neighbourhood Plan**

There were some final costs incurred in taking the Neighbourhood Plan to referendum in May 2019.

703

**IT Expenses**

Charges are being incurred for Microsoft 365 exchange accounts for all staff and councillors, in addition the biennial anti-virus software licence was due for renewal but had been omitted from the budget.

1,689

**Depreciation**

This item is currently not included in the budget and forms part of the year end adjustments.

23,750

**Miscellaneous - Mayoral Allowance**

An amount of £5,000 is included each year to support the Mayor in his/her civic activities and any twinning visits. Expenditure in 2019/20 has been low.

(2,852)

**OPERATIONS****Maintenance of Buildings**

Repair works to all sports pavilions have been lower than expected in the 2019/20 financial year resulting in an underspend against budget.

(1,516)

**Maintenance of Grounds:****Play Areas**

There have been lower than expected 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 and works to repair wet pour surfacing have taken place during the year.

(2,365)

**Bedding Plants**

The schemes for bedding displays for spring and summer 2019 were simplified by Officers before going out to tender and this has led to reduced costs and therefore savings against budget for the year.

(2,237)

**Gas Lamp Maintenance**

Repair works are carried out as and when required. 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.

(2,118)

**Pitch Maintenance**

The drop in usage of the Council's football pitches has meant that fewer pitch maintenance works have been required. The pitches have remained in good condition throughout the year and therefore minimal maintenance works have been needed and any works required were carried out by the Council's staff.

(1,500)

**Tree Maintenance**

An annual budget of £5,000 was included in the 2019/20 financial year for tree surgery. There has been a large amount of essential works required during the year including the removal of a very large and dangerous tree in the cemetery and therefore expenditure has exceeded budget.

1,456

**Allotment Maintenance**

No works have been required in the year.

(400)

**Litter Bins**

A budget was included for the purchase of two new litter bins, but as the purchase of ten litter bins was included in the re-forecast in order to fully replenish stocks, this original budget was not required.

(600)

**Skip Hire and Rubbish Removal**

Small savings have been achieved in each quarter against this cost code.

(744)

## MALVERN TOWN COUNCIL

### SUMMARY OF MAJOR VARIANCES - FINANCIAL YEAR 2019/20

(Under)/over  
budget

#### **Equipment and Vehicle Running Costs**

Costs to repair machinery have been low during the year. Works have been completed as necessary and operational staff carry out repairs where possible.

(1,783)

#### **Depreciation**

This item is currently not included in the budget and forms part of the year end adjustments.

76,813

### **DISCRETIONARY COSTS**

#### **Depreciation**

This item is currently not included in the budget and forms part of the year end adjustments.

6,583

### **ASSET REFURBISHMENT / RENEWAL**

#### *Expenditure below budget and therefore causing a surplus is shown in brackets*

#### **Litter Bins**

It was agreed as part of the re-forecast for 2019/20 that an amount of £3,000 should be allocated to replenish the Council's stock of litter bins. This was not in the original budget, but it is Council approved expenditure.

2,940

#### **New Car Park at Lower Howsell**

This project was delayed due to contractor issues and works were completed in the final quarter with savings achieved against budget. Funds have been earmarked from this underspend and taken into the next financial year to fund some further surface binding .

(5,300)

#### **Relocation of Fence at Victoria Park**

This project was completed in the first quarter with savings achieved against budget.

(1,350)

#### **Victoria Park - Tarmac Pickersleigh Road Car Park**

This project was completed during the third quarter with significant savings against budget achieved.

(2,340)

#### **Craeg Lea Play Area - Teenage Climbing Frame**

Although included in the budget for 2019/20, the cost of this climbing wall was capitalised as part of the Year End accounting process

(10,000)

#### **Victoria Park Pavilion Project**

Following Council approval for this project, initial costs for the engagement of architects have been incurred during this financial year. This is approved expenditure and further costs will be seen as the project develops.

1,200

#### **Works to Stone Allotment Entrance at Goodwood Road.**

This project was completed with budget savings being achieved.

(1,150)

#### **Roofing of Cemetery Composting Area**

This project was completed with savings of £1,000 against budget.

(1,000)

#### **New Server at Belle Vue Terrace Offices**

Due to the need to meet certain specifications with the new server, the cost to replace the server with a "virtual" equivalent has been slightly above the level budgeted.

1,044

#### **Refurbishment of Belle Vue Flats**

Works commenced on the refurbishment of the two flats to the rear of Belle Vue Terrace during the final quarter of the year. This work was approved by Full Council in order to improve the quality of the flats before they are re-let and the remaining costs will be seen in the next financial year.

10,000

#### **Overhaul AUSA**

Works to overhaul the AUSA were constrained by the availability of parts. Works were carried out as far as possible, resulting in savings being achieved against the anticipated budget.

(2,020)

#### **Contingency Fund**

Although included in the budget for the second time in 2019/20, expenditure has remained below the annual budget with only the cost to replace a boiler at Great Malvern Cemetery being taken from this fund.

(7,883)

### **Budget 2019/20**

(75)

### **Year End Surplus**

(28,389)

### **Variance against Budget**

(28,314)

# MALVERN TOWN COUNCIL 2019/20 ACCOUNTS


## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

	-----2020-----			2019
Cost of Services	Gross expend- iture £	Gross income £	Net expend- iture £	Net expend- iture £
Cemetery	122,659	51,066	71,593	65,211
Allotments	10,795	5,435	5,360	12,030
Maintenance of other Town Council grounds	131,184	44,096	87,088	132,253
Leisure and recreation services	145,151	16,681	128,470	95,587
Miscellaneous services	26,512	-	26,512	27,316
Other services provided to the public	172,456	2,701	169,755	161,240
Administration - Corporate and democratic support	182,397	48,702	133,695	130,882
Administration - Professional support	28,284	-	28,284	22,174
Grants to local bodies	51,470	-	51,470	47,326
<b>NET COST OF SERVICES</b>	<b>870,908</b>	<b>168,681</b>	<b>702,227</b>	<b>694,019</b>
(Profit) / Loss on sale of fixed assets			-	-
Interest, deferred grants and investment income			(13,499)	(15,207)
<b>NET OPERATING EXPENDITURE</b>			<b>688,728</b>	<b>678,812</b>
<b>Precept on District Council</b>			(663,000)	(650,000)
<b>(SURPLUS) / DEFICIT FOR THE YEAR</b>			<b>25,728</b>	<b>28,812</b>
<u>Reconciliation of Items for Movement on General Fund</u>				
Removal of depreciation and deferred contributions to avoid impact on precept			(98,253)	(99,416)
Movement on Earmarked Reserves			35,686	(8,105)
Fixed Asset Disposals			-	-
Capital Financed from Revenue			8,450	42,522
Removal of Income from Sale of Land to Reserves			-	-
<b>Surplus for the Year Ended 31 March 2020 after movements on General Fund</b>			<b>(28,389)</b>	<b>(36,187)</b>

**MALVERN TOWN COUNCIL 2019/20 ACCOUNTS**  
**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2020**

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>	<b>1</b>		
Operational assets			
Land and buildings		1,544,520	1,621,106
Plant, vehicles and equipment		66,463	88,573
Infrastructure		-	-
Non-operational assets		-	-
		<u>1,610,983</u>	<u>1,709,679</u>
Long Term Investments	<b>2</b>	247,877	247,877
<b>CURRENT ASSETS</b>			
Stocks	<b>3</b>	-	-
VAT recoverable		8,608	11,679
Debtors	<b>4</b>	7,317	4,980
Payments in advance		23,518	13,157
Cash in hand and at bank	<b>5</b>	486,356	446,882
		<u>525,799</u>	<u>476,698</u>
<b>CURRENT LIABILITIES</b>			
Creditors	<b>6</b>	(54,471)	(66,374)
Receipts in advance		(3,079)	(6,150)
Short term borrowing	<b>7</b>	-	-
		<u>(57,550)</u>	<u>(72,524)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,327,109	2,361,730
<b>LONG TERM BORROWING</b>	<b>7</b>	-	-
<b>DEFERRED GRANTS AND CONTRIBUTIONS</b>		(122,356)	(131,249)
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u>2,204,753</u>	<u>2,230,481</u>
<b>REPRESENTED BY:</b>			
Fixed asset restatement account	<b>8</b>	1,396,515	1,405,461
Capital financing account	<b>8</b>	- 25,995	54,862
Earmarked and special reserves	<b>9</b>	299,618	263,932
Balance on income and expenditure account		534,615	506,226
		<u>2,204,753</u>	<u>2,230,481</u>

These financial statements were approved by the Council on 26 August 2020 and signed on its behalf:

  
 .....  
 Town Mayor

  
 .....  
 Town Clerk

# MALVERN TOWN COUNCIL 2019/20 ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 1. FIXED ASSETS

#### 1.1 Movements in fixed assets

	Operational property £	Vehicles, plant & machinery £	Infra- structure £	Totals 2020 £	2019 £
<b>Cost</b>					
At 1 April 2019	1,903,700	585,879	8,608	2,498,187	2,444,090
Additions	-	8,450	-	8,450	55,333
Revaluation	-	-	-	-	-
Disposals	-	-	-	-	(1,236)
At 31 March 2020	1,903,700	594,329	8,608	2,506,637	2,498,187
<b>Depreciation</b>					
At 1 April 2019	282,594	497,306	8,608	788,508	681,436
Charge in year	76,586	30,560	-	107,146	108,309
Revaluation	-	-	-	-	-
Eliminated on disposals / revaluation	-	(8,946)	-	(8,946)	(1,236)
At 31 March 2020	359,180	518,920	8,608	886,708	788,507
<b>Net Book Value</b>					
At 31 March 2020	1,544,520	66,463	-	1,610,983	1,709,679
At 31 March 2019	1,621,106	88,573	-	1,709,679	1,762,655

#### 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

2020 2019

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.

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:

2020 2019

Interest receivable on investments and bank accounts	731	1,077
Sundry debtors	6,586	3,903
	<u>7,317</u>	<u>4,980</u>

# MALVERN TOWN COUNCIL 2019/20 ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 5. CASH IN HAND AND AT BANK

	2020	2019
Current Account	408,899	59,575
Scottish Widows 7 Day Notice Account		
Public Sector Deposit Account	258,516	568,516
less Long Term Earmarked Reserves	(181,393)	(181,393)
Petty Cash	334	184
Cheques Received not Banked	-	-
	<u>486,356</u>	<u>446,882</u>

### 6. CREDITORS

	2020	2019
An analysis of creditors is as follows:		
HM Revenue & Customs	10,039	10,509
Creditors	32,862	42,455
Accruals	11,570	13,410
	<u>54,471</u>	<u>66,374</u>

### 7. BORROWINGS

At 31 March 2020, the Council had no loans outstanding.

### 8. STATEMENT OF TOTAL MOVEMENT IN RESERVES

	Capital accounts Fixed asset restatement £	Capital financing £	Revenue reserves General £	Earmarked and special £	Totals 2020 £	2019 £
Balance at 1 April 2019	(1,405,461)	(54,862)	(506,226)	(263,932)	(2,230,481)	(2,259,293)
Net (surplus)/deficit for year	-	-	(28,389)	-	(28,389)	(36,187)
Disposal of fixed assets	8,946	(8,946)	-	-	-	-
Revaluation / Impairment	-	-	-	-	-	-
Release of retentions	-	-	-	-	-	-
Movements on EM reserves	-	-	-	(35,686)	35,686	8,105
Net depreciation of fixed assets	-	98,253	-	-	98,253	99,416
Financing of fixed assets	-	(8,450)	-	-	(8,450)	(42,522)
Balance at 31 March 2020	<u>(1,396,515)</u>	<u>25,995</u>	<u>(534,615)</u>	<u>(299,618)</u>	<u>(2,204,753)</u>	<u>(2,230,481)</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:

	Year ended 31 March 2020			
Name of Reserve	Balance as at 1 April 2019 £	Addition to reserves £	Contributions from reserves £	Balance as at 31 March 2020 £
Elections	14,640	-	(10,330)	4,310
Cemetery extension	16,659	-	-	16,659
Asset Repair and Development Reserve	25,461	3,000	-	28,461
Grants	5,549	7,000	(7,650)	4,899
Vehicle and Machinery Replacement Fund	36,889	10,000	(3,000)	43,889
Allotment Reserve	50,000	-	-	50,000
Capital Receipts Reserve	48,250	-	-	48,250
CIL Reserve - Brookfarm Drive	-	36,666	-	36,666
Graves perpetuity	5,284	-	-	5,284
Townsend Way - s106 perpetuity	61,200	-	-	61,200
	<u>263,932</u>	<u>56,666</u>	<u>(20,980)</u>	<u>299,618</u>



# MALVERN TOWN COUNCIL 2019/20 ACCOUNTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

### 10. STAFFING STRUCTURE

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

	2020	2019
Operations management	1.0	1.0
Operations Staff	8.0	8.0
Total Operations Staff	9.0	9.0
Administrative and Corporate support	3.8	4.5
Town Clerk	1.0	1.0
Total numbers:	13.8	14.5
Full time equivalents	13.8	14.5

### 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.

	2020	2019
Annual product per head	£8.12	£7.86
Number of registered electors	22,864	22,864
Maximum permissible amount under section 137	185,656	179,711
Expenditure during the year comprised the following:		
Remembrance Observation	361	1,592
Other grants and donations	25,051	20,639
Citizen's Advice Bureau Grant	15,500	15,500
Community Action Grant	10,900	10,900
	51,812	48,631

### 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:

	2020	2019
Public consultation	-	-
Council Newsletter	1,743	2,786
Statutory and public notices	766	228
Availability of grants	250	250
Neighbourhood Plan Publicity	501	325
Events Publicity	1,176	237
Employment Vacancies	-	146
	4,436	3,972



## Section 2 – Accounting Statements 2019/20 for

### MALVERN TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1. Balances brought forward	358,903	404,174	Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records. Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	650,000	663,000	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	159,037	173,287	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	444,185	438,977	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	NIL	NIL	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	349,581	333,235	Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	404,174	468,249	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	446,882	486,356	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	2,548,616	2,548,120	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	NIL	NIL	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
		✓	N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2020 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

*P. J. Bateman*

Date

21/08/2020

I confirm that these Accounting Statements were approved by this authority on this date:

26/08/2020

as recorded in minute reference:

Minute 225 (ii)

Signed by Chairman of the meeting where the Accounting Statements were approved

*[Signature]*