

MALVERN TOWN COUNCIL



STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2021

MALVERN TOWN COUNCIL
STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021

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MALVERN TOWN COUNCIL

2020/2021

COUNCIL INFORMATION

The following schedule sets out details of Members of the Council during the year ended 31 March 2021.

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

Members of the Council

Cllr C Bovey	Cllr N Morton
Cllr S Charles	Cllr J O'Donnell
Cllr J Dallow	Cllr C Palmer
Cllr C Hooper	Cllr D Roberts (resigned 19 May 2020)
Cllr N Houghton	Cllr J Satterthwaite (elected 5 August 2020)
Cllr L Lambeth	Cllr A Stitt (elected 14 October 2020)
Cllr J Leibrandt	Cllr P Smith
Cllr L Lowton	Cllr S Taylor
Cllr R McLaverty-Head	Cllr P Tuthill
Cllr P Mewton	Cllr D Watkins
Cllr N Mills	

MALVERN TOWN COUNCIL

2020/2021

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 2021

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 2021 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 Thursday 1 July until Wednesday 11 August 2021.
- 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 2 July 2021.
- h) Publish or display the certified Governance and Accountability Return by Thursday 1 July 2021, 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 2 July 2021.

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 2021 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 2021 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 2020/21 ACCOUNTS

SUMMARY BUDGET / ACTUAL COMPARISON FOR THE YEAR 2020/21

	2020/21 Budget	2020/21 Actual	2019/20 Actual
<u>Gross Income</u>			
Rental Income	58,257	47,373	48,702
Other Administration / Event related	3,250	1,729	2,701
Allotments	5,409	5,189	5,435
Cemetery	60,000	63,900	51,066
Grounds Maintenance	8,000	8,223	7,430
Leisure and Recreation	11,705	7,311	16,681
CIL Funding	-	-	36,666
Interest Receivable	6,000	3,900	4,606
Deferred Grants *	-	8,893	8,893
	<u>152,621</u>	<u>146,518</u>	<u>182,180</u>
<u>Administration</u>			
Paycost	218,378	213,971	193,232
Utilities	7,352	9,008	9,009
Rates	8,883	11,421	10,249
Maintenance of Buildings	15,017	9,129	11,548
Communication Costs	12,278	8,622	11,647
Insurance	21,500	18,451	19,824
Professional and Consultancy Fees	8,000	7,712	16,346
IT Expenses	5,558	7,875	3,989
Leasing	1,405	1,368	1,432
Depreciation *	-	23,750	23,750
Miscellaneous	18,115	10,886	15,920
	<u>316,486</u>	<u>322,193</u>	<u>316,946</u>
<u>Operations</u>			
Paycost	242,733	237,961	238,414
Utilities	13,381	8,024	16,196
Rates	10,951	11,352	10,684
Maintenance of Buildings	2,737	1,684	1,685
Communication Costs	2,100	2,089	2,182
Maintenance of Grounds	36,043	34,019	26,894
Equipment and Vehicle Running Costs	17,277	13,425	15,263
Depreciation *	-	86,080	76,813
Miscellaneous	3,487	3,747	3,024
	<u>328,709</u>	<u>398,381</u>	<u>391,155</u>
<u>Discretionary Costs</u>			
Grants, Donations and Community Projects	54,650	70,576	51,470
Events	45,000	22,003	41,050
Depreciation *	-	5,923	6,583
	<u>99,650</u>	<u>98,502</u>	<u>99,103</u>

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

MALVERN TOWN COUNCIL 2020/21 ACCOUNTS

SUMMARY BUDGET / ACTUAL COMPARISON FOR THE YEAR 2020/21

	2020/21 Budget	2020/21 Actual	2019/20 Actual
<u>Asset Renewal and Refurbishment</u>			
Litter Bins	4,000	4,000	2,940
New Car Park at Lower Howsell	-	2,722	7,700
Victoria Park Relocation of Bowling Green Fence	-	-	3,150
Victoria Park Tarmac Pickersleigh Road Car Park	-	-	1,570
Victoria Park Replacement Signage	-	-	1,422
Adam Lea Replacement of Chain Link Fencing	-	-	2,350
Adam Lea Replacement of Hoop Top Fencing	-	-	7,050
Renewal of Rope Climbing Frame Victoria Park	8,000	1,000	-
Victoria Park New Set of Swings	8,000	-	-
Townsend Way Renewal of Climbing Frame	10,000	-	-
Dukes Meadow Renewal of Swing Set	10,000	-	-
Victoria Park Installation of New Basketball Courts	-	49,360	-
Victoria Park New Pavilion Project	-	2,275	1,200
Path Edging Works in Rose Bank Gardens	7,000	-	-
Refurbishment of Barnards Green Bus Shelter	8,000	-	-
Stone Allotment Entrance to Goodwood Road Allotments	-	-	1,850
Refurbishment of Cemetery Lodge Kitchen	3,000	3,145	-
Roofing of Cemetery Composting Area	-	-	3,000
New IT Equipment	-	9,816	11,044
Overhaul of Drainage Top Floor Belle Vue Terrace	4,000	-	-
Refurbishment of Flats at Belle Vue Terrace	-	12,895	10,000
Overhaul of AUSA 4 x 4	-	-	980
New Trailer	4,000	-	-
Replacement Mowers	5,000	1,406	-
New Christmas Lights	-	1,740	-
Contingency Fund	10,000	-	2,117
<u>Special Expenditure</u>			
Early Retirement Costs	7,475	7,454	7,331
Special Expenditure Total	<u>88,475</u>	<u>95,813</u>	<u>63,704</u>
Gross Expenditure Total	<u>833,320</u>	<u>914,889</u>	<u>870,908</u>
Net Cost of Services	<u>680,700</u>	<u>768,371</u>	<u>688,728</u>
Add Movements to Reserves	15,000	56,536	56,666
Less Movements from Reserves	(13,000)	(68,256)	(20,980)
Reversal of Depreciation	-	(115,753)	(107,146)
Reversal of Deferred Contributions	-	8,893	8,893
Capital Financed from Revenue	-	45,600	8,450
Adjusted Net Expenditure for the Year	<u>682,700</u>	<u>695,391</u>	<u>634,611</u>
Precept on the District Council	682,890	682,890	663,000
(Surplus) / Deficit for the year	<u>(191)</u>	<u>12,501</u>	<u>(28,389)</u>

MALVERN TOWN COUNCIL

SUMMARY OF MAJOR VARIANCES - FINANCIAL YEAR 2020/21

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

Rental Income

The two residential flats to the rear of Belle Vue Terrace were refurbished during the summer of 2020. 8,830

Both flats remained empty for most of the year until they were re-let in February 2021 and therefore income received during the year is under the budgeted level.

The ground floor annexe to the rear of Belle Vue has also been vacant for a period after the tenant submitted notice. No income is being received whilst possible future uses of this area are being considered. 2,055

Other Administration / Event related

There was a reduction in the level of income from the sale of the hanging baskets in 2020 as due to the difficult circumstances for traders during summer 2020, Council provided them free of charge to businesses who had previously bought them. 3,021

Leisure and Recreation - Football / Rounders Income

There has been very little income from football or rounders in the 2020/21 financial year as many of the fixtures have been cancelled. 1,409

Leisure and Recreation - Rental of Victoria Park Pavilion

Council granted the tenant of the café at Victoria Park a three month rent free period to recognise the financial difficulties caused by the enforced closure of businesses during lockdown. Income has therefore been lower than anticipated. 2,425

Interest Receivable

The Council now has investments with both the Public Sector Deposit Fund and the CCLA's Property Investment Fund. The effects of the Covid-19 pandemic has resulted in a reduction in both dividends and interest paid on these investments with income 35% below the expected level. 2,100

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

Utility Charges at Belle Vue Building

All utility charges at Belle Vue Terrace have been higher than the budgeted level, with gas charges in particular being 42% over budget. Usage has increased slightly within the main building, but there has also been the requirement to pay for utility costs for the two flats at the rear of Belle Vue whilst they have been empty. 1,656

Rates

The two flats at the rear of Belle Vue Terrace have been empty throughout most of this financial year whilst being refurbished. During this time, Council tax charges have been payable, resulting in expenditure above budget. 2,273

Cleaning

There has been an underspend against cleaning contract costs due to the fact that cleaning hours were reduced during the lockdown periods when the building was not fully occupied by its tenants. (4,574)

Maintenance of Belle Vue Terrace Buildings

Due to lockdown periods which closed shops and advised people to work from home where possible, the main building at Belle Vue Terrace has not been fully occupied by its tenants during the year. This reduced usage has reduced the general maintenance costs. (930)

Communication Costs - Town Council Newsletter

Due to the cancellation of most of the Town Council events in 2020 and the delay to some operational projects, only two newsletters were produced during the year, three were assumed in the budget. (778)

Communication Costs - Stationery

Very low level of supplies required during the year. (1,306)

Communication Costs - Photocopier charges

Paperless Council dispatches and the cancellation of nearly all of the Town Council events in 2020 have resulted in a very low amount of photocopying and printing being required. (1,177)

Insurance

The Council's Insurance contract went out to tender ahead of the contract renewal in August 2020 and the new contract has a lower annual premium, thus resulting in savings against budget being achieved. (3,049)

IT Expenses

There has been higher than budgeted expenditure on IT equipment and resources due to the purchase of tablets for councillors and the need to purchase additional laptops for staff to attend zoom meetings. 1,818

Depreciation

This item is currently not included in the budget and forms part of the year end adjustments. 23,750

MALVERN TOWN COUNCIL

SUMMARY OF MAJOR VARIANCES - FINANCIAL YEAR 2020/21

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

Miscellaneous - Mayoral Allowance

The Mayoral allowance was increased to £5,000 as part of the 2018/19 budget and has been set at this level ever since. There has been very little expenditure in this financial year as a result of very few Mayoral engagements or events actually taking place. (4,610)

Training

The Town Council are committed to full training being made available to all staff and councillors, but the effects of the pandemic have made it more difficult to undertake training due to logistics and pressure on resources. Training courses are being scheduled for the next financial year. (910)

OPERATIONS

Utilities

Utility costs have been lower than budget at Victoria Park Pavilion. The tenant of the café moved out in November 2020 and the changing rooms are not being used for football, resulting in a very low usage of gas, electricity and water. (3,104)

Usage of utilities within the cemetery buildings has been under budget across the year. This applies to gas, electricity and water, but gas charges in particular are only 50% of budget. A new gas boiler was fitted in the cemetery lodge in December 2019 and this has improved energy efficiency. (1,023)

Water charges at allotment sites are lower than budget, linked to the water now being turned off during the winter months as well as less activity at allotment sites than in normal years due to social distancing and shielding. (672)

Maintenance of Buildings

Repair and maintenance costs have been low at all sports pavilions. Pavilions were not in use for the majority of the financial year with sports teams not using them and the lease for the café at Victoria Park coming to an end. (960)

Repair costs to cemetery buildings have also been lower than expected in the budget. (332)

EQUIPMENT RUNNING COSTS

Machinery

There has been an underspend against repairs to operational machinery during the year. Machinery has been serviced and repaired as necessary throughout the year, but costs are often reduced as operational staff are able to undertake some general maintenance themselves. (1,611)

Vehicles

Fuel costs for operational vehicles have under budget, reflecting both that fuel costs have not increased as much as was anticipated and that some Town Council Operations were reduced for a period due to lockdown restrictions. (1,603)

Depreciation

This item is currently not included in the budget and forms part of the year end adjustments. 86,080

DISCRETIONARY COSTS

Civic Events

Unfortunately nearly all of the Town Council's events in 2020/21 were cancelled due to the Covid-19 pandemic and the need to follow government guidelines which prohibited social gatherings. This has resulted in a large underspend for the year. (22,997)

Small and Large Grants

The budget for grants in 2020/21 was £21,000. Grants were awarded over two rounds during the financial year, but there were underspends of £551 against large grants and £3,310 against small grants. (3,861)

Special Grants

A review of the grants scheme in 2020 resulted in the special grants category being replaced with emergency grants. These are financed on an individual basis from reserves and therefore not all of this budget was required. (7,000)

Community Grants

Due to the impacts of the Covid-19 pandemic, Council agreed £24,500 of community support grants. These grants could not have been foreseen as part of the original budget and were agreed by Full Council. 24,500

Community Projects

Expenditure was agreed by Full Council for Coronavirus information leaflets and banners. 1,908

Depreciation

This item is currently not included in the budget and forms part of the year end adjustments. 5,923

MALVERN TOWN COUNCIL

SUMMARY OF MAJOR VARIANCES - FINANCIAL YEAR 2020/21

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

ASSET REFURBISHMENT / RENEWAL

New Car Park at Lower Howsell	2,722
Works to finish this project by rolling and adding a further layer of stone to the surface of the car park were carried over from the previous financial year and have been offset by a release from Earmarked Reserves.	
Renewal of Rope Climbing Frame at Victoria Park	(7,000)
As the renewal of other items of play equipment during the year proved to be more costly than expected, it was decided to repair this climbing frame rather than to replace it.	
New Set of Swings at Victoria Park	(8,000)
Although included in the budget for 2020/21, the cost of these swings were capitalised as part of the Year End Accounting Process.	
Renewal of Climbing Frame at Townsend Way	(10,000)
Although included in the budget for 2020/21, the cost of this climbing frame was capitalised as part of the Year End Accounting Process.	
Renewal of Swing Set at Dukes Meadow	(10,000)
Although included in the budget for 2020/21, the cost of these swings were capitalised as part of the Year End Accounting Process.	
New Basketball Courts at Victoria Park	49,360
The works to install the concrete base and to erect the fencing surrounding the new basketball courts in preparation for the new surfacing have taken place during the financial year. Funds have been released from Earmarked Reserves to cover these costs and funds are also due to be received from Section 106 funds held by MHDC.	
Victoria Park New Pavilion Project	2,275
Some initial costs were incurred for a feasibility study on the proposed size and scope for the new pavilion	
Path Edging at Rose Bank Gardens and the Refurbishment of Barnards Green Bus Shelter	(15,000)
There have been delays with both of these projects and therefore Earmarked Reserves have been created to carry forward funding and to allow the projects to be completed in the 2021/22 financial year.	
IT Equipment	9,816
Following work carried out by the IT Task and Finish Group, Full Council agreed the purchase of new IT equipment and transfer of the Council's data to a new IT system. These costs were an approved overspend.	
Overhaul of drainage - top floor of Belle Vue	(4,000)
This project has been put on hold, pending decisions about the future of areas of Belle Vue building.	
Refurbishment of flats at Belle Vue Terrace	12,895
Full Council agreed funding in 2019 for a complete refurbishment of the two flats at the rear of Belle Vue Terrace. Although not in the original budget, these works were agreed and the flats have now been re-let at an increased rental amount.	
Replacement Trailer	(4,000)
Although included in the budget for 2020/21, the cost of the trailer was capitalised as part of the Year End Accounting Process.	
Replacement Mowers	(3,260)
Although included in the budget for 2020/21, the Honda mower was capitalised as part of the Year End Accounting Process. Two smaller mowers were purchased from budgeted funds.	
New Christmas Lights	1,740
Council agreed to use funds from the events underspend to purchase new Christmas lights for the Christmas tree in Malvern Link	
Contingency Fund	(10,000)
Although included in the budget for 2020/21, Council have not agreed any specific use for the contingency fund in 2020/21.	

Budget 2020/21	(191)
Year End Deficit	12,501
Variance against Budget	12,692

MALVERN TOWN COUNCIL 2020/21 ACCOUNTS

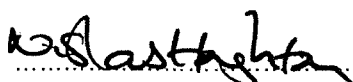
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR
ENDED 31 MARCH 2021


Cost of Services	-----2021-----			2020
	Gross expend- iture £	Gross income £	Net expend- iture £	Net expend- iture £
Cemetery	134,607	63,900	70,707	71,593
Allotments	17,383	5,189	12,194	5,360
Maintenance of other Town Council grounds	146,238	8,223	138,015	87,088
Leisure and recreation services	195,040	7,311	187,729	128,470
Miscellaneous services	28,021	-	28,021	26,512
Other services provided to the public	102,360	729	101,631	169,755
Administration - Corporate and democratic support	202,492	48,373	154,119	133,695
Administration - Professional support	18,172	-	18,172	28,284
Grants to local bodies	70,576	-	70,576	51,470
NET COST OF SERVICES	914,889	133,725	781,164	702,227
Interest, deferred grants and investment income			(12,793)	(13,499)
NET OPERATING EXPENDITURE			768,371	688,728
Precept on District Council			(682,890)	(663,000)
(SURPLUS) / DEFICIT FOR THE YEAR			85,481	25,728
<u>Reconciliation of Items for Movement on General Fund</u>				
Removal of depreciation and deferred contributions to avoid impact on precept			(106,860)	(98,253)
Movement on Earmarked Reserves			(11,720)	35,686
Capital Financed from Revenue			45,600	8,450
Removal of Income from Sale of Land to Reserves			-	-
Deficit for the Year Ended 31 March 2021 after movements on General Fund			12,501	(28,389)

MALVERN TOWN COUNCIL 2020/21 ACCOUNTS
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

	Notes	2021 £	2020 £
FIXED ASSETS	1		
Operational assets			
Land and buildings		1,650,834	1,544,520
Plant, vehicles and equipment		86,155	66,463
Infrastructure		-	-
Non-operational assets		-	-
		<u>1,736,989</u>	<u>1,610,983</u>
Long Term Investments	2	247,877	247,877
CURRENT ASSETS			
Stocks	3	-	-
VAT recoverable		7,732	8,608
Debtors	4	7,295	7,317
Payments in advance		33,116	23,518
Cash in hand and at bank	5	466,838	486,356
		<u>514,981</u>	<u>525,799</u>
CURRENT LIABILITIES			
Creditors	6	(70,605)	(54,471)
Receipts in advance		(5,535)	(3,079)
Short term borrowing	7	-	-
		<u>(76,140)</u>	<u>(57,550)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,423,707	2,327,109
LONG TERM BORROWING	7	-	-
DEFERRED GRANTS AND CONTRIBUTIONS		(113,463)	(122,356)
TOTAL ASSETS LESS LIABILITIES		<u>2,310,244</u>	<u>2,204,756</u>
REPRESENTED BY:			
Fixed asset restatement account	8	1,301,192	1,396,515
Capital financing account	8	199,037	- 25,995
Earmarked and special reserves	9	287,898	299,618
Balance on income and expenditure account		522,117	534,618
		<u>2,310,244</u>	<u>2,204,756</u>

These financial statements were approved by the Council on 24 June 2021 and signed on its behalf:


 Town Mayor


 Town Clerk

MALVERN TOWN COUNCIL 2020/21 ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. FIXED ASSETS

1.1 Movements in fixed assets

	Operational property £	Vehicles, plant & machinery £	Infra- structure £	Totals	
				2021 £	2020 £
Cost					
At 1 April 2020	1,903,700	585,383	8,608	2,497,691	2,498,187
Additions	-	50,790	-	50,790	8,450
Revaluation	(73,211)	-	-	(73,211)	-
Disposals	-	(22,112)	-	(22,112)	(8,946)
At 31 March 2021	<u>1,830,489</u>	<u>614,061</u>	<u>8,608</u>	<u>2,453,158</u>	<u>2,497,691</u>
Depreciation					
At 1 April 2020	359,180	518,920	8,608	886,709	788,508
Charge in year	84,654	31,099	-	115,753	107,146
Revaluation	-	-	-	-	-
Eliminated on disposals / revaluation	(264,180)	(22,112)	-	(286,292)	(8,946)
At 31 March 2021	<u>179,654</u>	<u>527,906</u>	<u>8,608</u>	<u>716,168</u>	<u>886,708</u>
Net Book Value					
At 31 March 2021	<u>1,650,834</u>	<u>86,155</u>	<u>-</u>	<u>1,736,989</u>	<u>1,610,983</u>
At 31 March 2020	<u>1,544,520</u>	<u>66,463</u>	<u>-</u>	<u>1,610,983</u>	<u>1,709,679</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 2020 by the Valuation Agency. These properties therefore next become due for valuation on 1 April 2025.

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

2021 2020

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:

	2021	2020
Interest receivable on investments and bank accounts	665	731
Sundry debtors	6,630	6,586
	<u>7,295</u>	<u>7,317</u>

MALVERN TOWN COUNCIL 2020/21 ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. CASH IN HAND AND AT BANK	2021	2020
Current Account	389,507	408,899
Public Sector Deposit Account	258,516	258,516
less Long Term Earmarked Reserves	(181,393)	(181,393)
Petty Cash	208	334
Cheques Received not Banked	-	-
	<u>466,838</u>	<u>486,356</u>

6. CREDITORS	2021	2020
An analysis of creditors is as follows:		
HM Revenue & Customs	8,794	10,039
Creditors	27,489	32,862
Accruals	34,322	11,570
	<u>70,605</u>	<u>54,471</u>

7. BORROWINGS At 31 March 2021, 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	2020	2019
	£	£	£	£	£	£
Balance at 1 April 2020	(1,396,515)	25,995	(534,618)	(299,618)	(2,204,756)	(2,230,481)
Net (surplus)/deficit for year	-	-	12,501	-	12,501	(28,389)
Disposal of fixed assets	22,112	(22,112)	-	-	-	-
Revaluation / Impairment	73,211	(264,180)	-	-	(190,969)	-
Release of retentions	-	-	-	-	-	-
Movements on EM reserves	-	-	-	11,720	11,720	35,686
Net depreciation of fixed assets	-	106,860	-	-	106,860	98,253
Financing of fixed assets	-	(45,600)	-	-	(45,600)	(8,450)
Balance at 31 March 2021	<u>(1,301,192)</u>	<u>(199,037)</u>	<u>(522,117)</u>	<u>(287,898)</u>	<u>(2,310,244)</u>	<u>(2,204,756)</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 2021			
	Balance as at 1 April 2020	Addition to reserves	Contributions from reserves	Balance as at 31 March 2021
	£	£	£	£
Elections	4,310	2,500	-	6,810
Cemetery extension	16,659	-	-	16,659
Asset Repair and Development Reserve	28,461	26,536	(54,357)	640
Events and Grants	4,899	12,500	(4,899)	12,500
Vehicle and Machinery Replacement Fund	43,889	15,000	(9,000)	49,889
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>299,618</u>	<u>56,536</u>	<u>(68,256)</u>	<u>287,898</u>

MALVERN TOWN COUNCIL 2020/21 ACCOUNTS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

10. STAFFING STRUCTURE

The Council's approved and actual establishment at the year end was:	2021	2020
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	3.6	3.8
Town Clerk	1.0	1.0
Total numbers:	<u>13.6</u>	<u>14.5</u>
Full time equivalents	<u>13.6</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.

	2021	2020
Annual product per head	8.32	£8.12
Number of registered electors	22,864	22,864
Maximum permissible amount under section 137	<u>190,228</u>	<u>185,656</u>
Expenditure during the year comprised the following:		
Remembrance Observance	19	361
Other grants and donations	41,639	25,051
Citizen's Advice Bureau Grant	15,500	15,500
Community Action Grant	10,900	10,900
	<u>68,058</u>	<u>48,631</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:

	2021	2020
Public consultation	-	-
Council Newsletter	1,522	1,743
Covid-19 Information	1,906	-
Statutory and public notices	687	766
Availability of grants	612	250
Neighbourhood Plan Publicity	-	501
Events Publicity	-	1,176
Employment Vacancies	665	-
	<u>5,392</u>	<u>4,436</u>