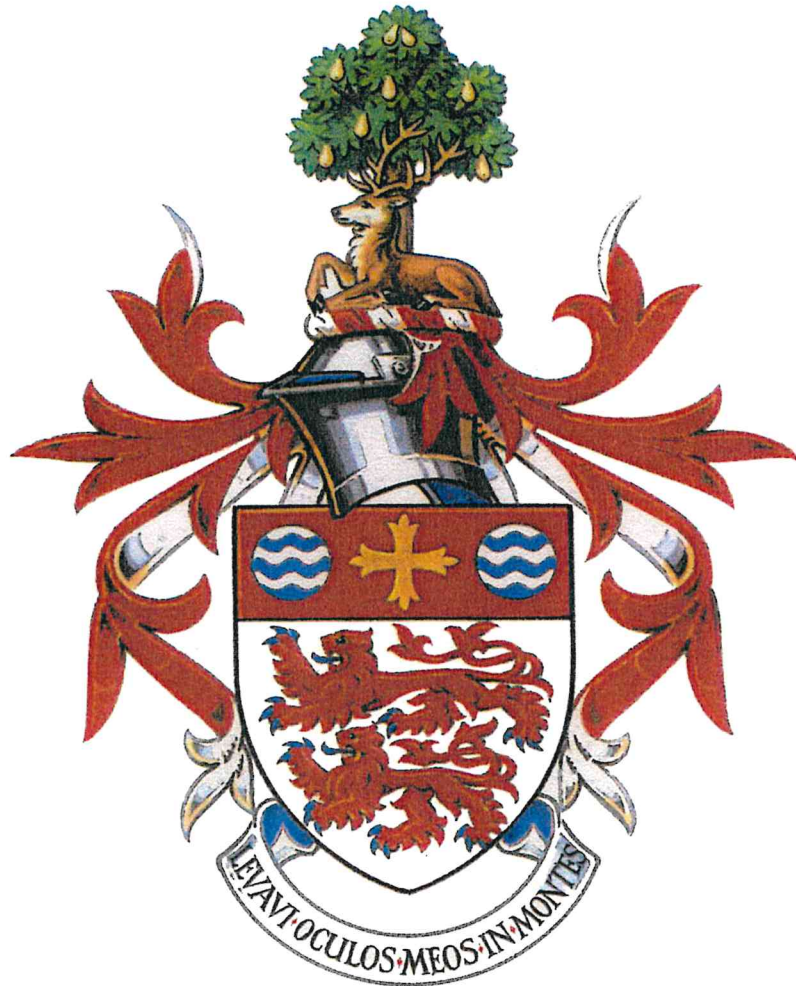


# MALVERN TOWN COUNCIL



## STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

**MALVERN TOWN COUNCIL**  
**STATEMENT OF ACCOUNTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

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## MALVERN TOWN COUNCIL

2021/2022

### COUNCIL INFORMATION

The following schedule sets out details of Members of the Council during the year ended 31 March 2022.

**Mayor:** Cllr N Houghton (appointed 26/05/21)  
**Deputy Mayor:** Cllr C Hooper (appointed 26/05/21)

#### Members of the Council

Cllr J Ashington-Carter (elected 16 Sep 2021)	Cllr P Mewton (resigned 4 July 2021)
Cllr C Bovey	Cllr N Mills
Cllr S Charles (non-attendance 7 Oct 2021)	Cllr N Morton
Cllr J Dallow (resigned 31 July 2021)	Cllr J O'Donnell
Cllr C Fletcher (elected 16 Dec 2021)	Cllr C Palmer
Cllr C Hooper	Cllr J Satterthwaite
Cllr N Houghton	Cllr A Stitt
Cllr L Lambeth	Cllr P Smith
Cllr J Leibrandt	Cllr S Taylor
Cllr L Lowton	Cllr P Tuthill
Cllr R McLaverty-Head	Cllr D Watkins
Cllr D Mead (elected 16 Dec 2021)	

**MALVERN TOWN COUNCIL**

**2021/2022**

**COUNCIL INFORMATION**

**Accounts Prepared by**

Linda Blake ACMA CPFA

**Internal Auditor**

Duncan Edwards – DKE Audit Services

**External Auditor**

PFK Littlejohn LLP

## MALVERN TOWN COUNCIL

### STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

#### EXPLANATORY FOREWORD

The Accounts and Audit Regulations 2015 state that a Council where the higher of gross income or gross expenditure is over £200,000 but less than £6.5 million per annum is subject to an Intermediate Level Review by the External Auditor and must complete the Annual Governance and Accountability Return 2021/22 Form 3.

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

- a) Complete the Annual Governance and Accountability Return 2021/22 Form 3. This comprises:
  - Section 1 – Annual Governance Statement 2021/22, page 4
  - Section 2 – Accounting Statements 2021/22, page 5
  - Section 3 – External Auditor Report and Certificate 2021/22, page 6
  - Annual Internal Audit Report 2021/22, page 3
- b) To prepare Accounting Statements for the year ended 31 March 2022 in the form required by proper practice.
- c) Certify the Accounting Statements.
- d) Consider and approve the Internal Audit work which has been carried out during the year and ensure the Internal Auditor completes page 3 of the AGAR.
- e) Consider the findings of the Council's review of the effectiveness of the system of Internal Control.
- f) Review the effectiveness of the Council's system of Internal Control and prepare the Annual Governance Statement.
- g) 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.
- h) 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
- i) 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 1 July until Thursday 11 August 2022.

- j) 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 Thursday 30 June 2022.
- k) Publish or display the certified Governance and Accountability Return by Friday 1 July 2022, including the signed external auditor report.

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 2022 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 2022 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	Long Term Investments
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 2021/22 ACCOUNTS**

**SUMMARY BUDGET / ACTUAL COMPARISON FOR THE YEAR 2021/22**

	2021/22 Budget	2021/22 Actual	2020/21 Actual
<b><u>Gross Income</u></b>			
Rental Income	60,777	51,396	47,373
Other Administration / Event related	3,250	3,068	1,729
Allotments	5,746	5,775	5,189
Cemetery	60,000	53,880	63,900
Grounds Maintenance	8,000	7,810	8,223
Leisure and Recreation	10,129	10,948	7,311
Section 106 Grant Funding	-	50,000	-
Interest Receivable	3,000	2,662	3,900
Deferred Grants *	-	8,893	8,893
	<u>150,902</u>	<u>194,432</u>	<u>146,518</u>
<b><u>Administration</u></b>			
Paycost	214,013	216,333	213,971
Utilities	8,501	10,036	9,008
Rates	8,983	9,723	11,421
Maintenance of Buildings	14,902	10,462	9,129
Communication Costs	12,821	12,987	8,622
Insurance	20,000	17,520	18,451
Professional and Consultancy Fees	9,250	27,419	7,712
IT Expenses	6,820	8,232	7,875
Leasing	1,400	1,429	1,368
Depreciation *	-	7,408	23,750
Miscellaneous	18,815	15,970	10,886
	<u>315,505</u>	<u>337,519</u>	<u>322,193</u>
<b><u>Operations</u></b>			
Paycost	245,121	246,494	237,961
Utilities	8,946	11,117	8,024
Rates	7,823	11,352	11,352
Maintenance of Buildings	2,322	706	1,684
Communication Costs	2,200	1,797	2,089
Maintenance of Grounds	41,450	29,240	34,019
Equipment and Vehicle Running Costs	16,830	19,464	13,425
Depreciation *	-	92,304	86,080
Miscellaneous	3,231	2,122	3,747
	<u>327,923</u>	<u>414,596</u>	<u>398,381</u>
<b><u>Discretionary Costs</u></b>			
Grants, Donations and Community Projects	55,050	47,586	70,576
Events	58,325	39,992	22,003
Depreciation *	-	5,515	5,923
	<u>113,375</u>	<u>93,093</u>	<u>98,502</u>

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

**MALVERN TOWN COUNCIL 2021/22 ACCOUNTS**

**SUMMARY BUDGET / ACTUAL COMPARISON FOR THE YEAR 2021/22**

	2021/22 Budget	2021/22 Actual	2020/21 Actual
<b><u>Asset Renewal and Refurbishment</u></b>			
Litter Bins	3,000	2,159	4,000
New Car Park at Lower Howsell	-	-	2,722
Replacement of Two Springers Victoria Park Play Area	2,000	995	-
Replacement of Two Springers Lower Howsell Play Area	2,000	1,680	-
Fencing at Lower Howsell	8,000	4,095	-
Replacement Pavilion Doors at Lower Howsell	5,000	4,750	-
Replacement Fencing at Townsend Way	6,000	3,960	-
Renewal of Rope Climbing Frame Victoria Park	-	-	1,000
Refurbishment of Jamaica Crescent Play Area	8,000	-	-
Refurbishment of Bus Shelter Outside Rose Bank Gardens	15,000	-	-
Jenny Lind Fountain in Rose Bank Gardens	3,750	-	-
Installation of New Basketball Courts at Victoria Park	-	(1,757)	49,360
Victoria Park New Pavilion Project	-	13,068	2,275
Path Edging Works in Rose Bank Gardens	-	2,906	-
Works to investigate land slippage	-	9,695	-
Refurbishment of Barnards Green Bus Shelter	-	1,026	-
Refurbishment of Cemetery Lodge Kitchen	-	-	3,145
Repairs to Roof at Great Malvern Cemetery	4,000	1,000	-
Replacement Sleepers for Compost Heap at Cemetery	-	1,167	-
New IT Equipment	-	-	9,816
Refurbishment of Flats at Belle Vue Terrace	-	-	12,895
New Wood Chipper	12,000	-	-
Replacement Mowers	-	-	1,406
New Christmas Lights	-	-	1,740
Contingency Fund	10,000	-	-
<b><u>Special Expenditure</u></b>			
Early Retirement Costs	7,599	7,495	7,454
Special Expenditure Total	<u>86,349</u>	<u>52,239</u>	<u>95,813</u>
Gross Expenditure Total	<u>843,152</u>	<u>897,447</u>	<u>914,889</u>
Net Cost of Services	<u>692,250</u>	<u>703,015</u>	<u>768,371</u>
Add Movements to Reserves	15,000	66,580	56,536
Less Movements from Reserves	(24,500)	(25,229)	(68,256)
Reversal of Depreciation	-	(105,227)	(115,753)
Reversal of Deferred Contributions	-	8,893	8,893
Capital Financed from Revenue	-	51,675	45,600
Adjusted Net Expenditure for the Year	<u>682,750</u>	<u>699,707</u>	<u>695,391</u>
Precept on the District Council	682,890	682,890	682,890
<b>(Surplus) / Deficit for the year</b>	<u><b>(140)</b></u>	<u><b>16,817</b></u>	<u><b>12,501</b></u>



## MALVERN TOWN COUNCIL

### SUMMARY OF MAJOR VARIANCES - FINANCIAL YEAR 2021/22

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**

After a refurbishment project, the middle flat to the rear of Belle Vue Terrace was let in February 2021. The tenant then moved out in July 2021 and the flat has been unoccupied since this time whilst decisions are made as to the future of the Council's ownership of Belle Vue Terrace. 5,100

The ground floor annexe to the rear of Belle Vue has also been vacant during the year as the last tenant moved out in October 2020. The annexe requires renovation works, and no income is being received whilst the future of the Belle Vue Terrace building is being considered. 4,932

##### **Cemetery Income**

It is very difficult to accurately predict the level of cemetery income each year, but in 2021/22, income has been 10% lower than anticipated, perhaps due to a move towards interment of cremated remains. 6,120

##### **Section 106 Funding**

Section 106 funding has been received in respect of the new basketball courts at Victoria Park and has been used to offset costs accordingly. (50,000)

##### **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 resulted in a reduction in both dividends and interest paid, but the recent rises in interest rates has seen income begin to increase again. 338

##### **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**

Electricity charges at Belle Vue Terrace have been 34% higher than the budgeted level. This is due to the national increase in utility costs but also due to the requirement to pay costs for the rear annexe and middle flat whilst they have been empty. 1,470

##### **Rates**

Although there were no increases in business rates within the Council occupied areas of Belle Vue Terrace, there has been a requirement to pay Council tax for the middle flat whilst it has been vacant. 916

##### **Cleaning**

There has been an underspend against cleaning contract costs. Cleaning hours have been slightly reduced during the year based on operational needs and building usage. (2,156)

##### **Maintenance of Belle Vue Terrace Buildings**

Maintenance works on the Belle Vue Terrace building have been kept to a minimum during the year whilst the Town Council decides whether to retain the building or to sell it. (1,840)

##### **Insurance**

The Council's Insurance contract renewed in August 2021 with very little change to the premium. There have been no claims requiring an excess payment and a loyalty rebate has also been received, costs have therefore been under the level expected. (2,480)

##### **Elections**

Three by-elections have been called and held during the financial year, resulting in costs not anticipated within the original budget. 19,619

##### **IT Expenses**

An overspend against IT expenses has been caused by the switch to a new IT contractor alongside the need to update the Council's IT systems. These exact costs were not known when the budget was set. 1,350

##### **Mayoral Allowance**

The Mayoral allowance was increased to £5,000 as part of the 2018/19 budget. Costs in the year have been low. This may be due to fewer civic events being held, due to some ongoing concerns about Covid-19 but even in the final quarter when they did return to normal, only one small expense claim was submitted. (3,943)

##### **Depreciation**

This item is currently not included in the budget and forms part of the year end adjustments. 7,408

## MALVERN TOWN COUNCIL

### SUMMARY OF MAJOR VARIANCES - FINANCIAL YEAR 2021/22

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

#### OPERATIONS

##### **Utilities**

The 2021/22 budget had anticipated that utility costs at Victoria Park would be at a minimum level whilst the new building was being constructed, however charges for water drainage /runoff are still applicable and are still being billed. This has resulted in an overspend for the year. 3,940

Water charges at allotment sites continue to be lower than budget, linked to the water now being turned off during the winter months. (763)

##### **Rates**

The 2021/22 budget had anticipated that NNDR would only be payable for a small part of the year for Victoria Park Pavilion due to plans to build a new community hub. Unfortunately this project has been delayed and as a result, NNDR payments are still due. 3,630

##### **Maintenance of Buildings**

Repair and maintenance costs have been low at all sports pavilions. Pavilions have returned to use in the 2021/22 season, but with very few sports teams using Council pitches, their usage has been low resulting in low repair costs. (931)

Repair costs to cemetery buildings have also been lower than expected in the budget. (465)

##### **Communication Costs**

Line rental and other telephone costs have been very low for the year. (429)

#### **MAINTENANCE OF GROUNDS**

##### **Memorial Project**

A budget was included in 2021/22 for a memorial project connected to the Covid-19 pandemic however no ideas or works have been actioned and this now represents a budget saving. (2,500)

##### **Tree Maintenance / Surgery**

A budget is available to ensure that tree works can be carried out as and when required, however works in the 2021/22 financial year have been less than anticipated. (2,460)

##### **Play Area Maintenance**

Expenditure has been below budget. Regular inspections of all play areas take place to identify any works that are required and these are then actioned. Costs may be being reduced by the ongoing asset refurbishment programme which is scheduled annually and ensures that equipment is regularly updated at Town Council play areas. (4,322)

##### **Pitch Maintenance**

Due to the very low usage of all football pitches during the last two football seasons, very limited maintenance has been required to keep the pitches to the necessary standard. (1,133)

##### **Gas Lamps**

Works have been undertaken as required during the year by the Council's gas lamp contractor but two members of operational staff are trained in day to day maintenance and this has reduced costs. (455)

##### **Bus Shelter Maintenance**

Works to bus shelters have been undertaken as required but these have been completed by Town Council staff with only a small amount of consumables being required. (468)

#### **EQUIPMENT RUNNING COSTS**

##### **Machinery**

There has been an overspend against repairs to operational machinery during the year. Machinery has been serviced and repaired as necessary throughout the year, but additional costs have been incurred for essential repairs to mowers. 518

##### **Vehicles**

Urgent repair works to the Ford Transit truck have been required during the year and this has resulted in a large overspend against budget. 1,686

##### **Depreciation**

This item is currently not included in the budget and forms part of the year end adjustments. 92,304

##### **Other Costs - Organists Fees**

The cemetery chapel was only reopened after Covid-19 in early 2022, so organist bookings have been low for the financial year as a whole. (380)

##### **Other Costs - Security at Victoria Park**

The pavilion building has been empty throughout the year and therefore alarm costs have been reduced. (355)

## MALVERN TOWN COUNCIL

### SUMMARY OF MAJOR VARIANCES - FINANCIAL YEAR 2021/22

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

#### DISCRETIONARY COSTS

##### **Small and Large Grants**

The budget for grants in 2021/22 was £28,000. Grants were awarded over two rounds during the financial year, but there were underspends of £2,813 against large grants and £7,630 against small grants. (10,443)

##### **Emergency Grant**

An emergency grant was awarded to the Malvern Hills Foodbank during the year. In line with Council policy, there is no budget allocated for emergency grants and funding is taken out of reserves when required. 2,500

##### **Events**

Due to the ongoing effects of the Covid-19 pandemic and the wish of many to respect social distancing, a number of Council events were either cancelled or reduced in scale leading to reduced expenditure. This included the following;

Bands in the Park and Alternative Bands in the Park	(8,213)
Christmas Light Switch On	(1,665)
Chairman's Charity Walk and other Charity Events	(2,500)
Armed Forces Day Event	(3,500)
Malvern in Bloom and Heart of England in Bloom	(2,325)

##### **Depreciation**

This item is currently not included in the budget and forms part of the year end adjustments. 5,515

#### ASSET REFURBISHMENT / RENEWAL

##### **Litter Bins**

5 Derby recycling bins were purchased during the year. Only five were purchased initially as part of a trial to see if the recycling scheme would be followed and therefore be effective. (841)

##### **Victoria Park - replacement of two springers**

The original budget for new play equipment at Victoria Park was £2,000. Costs were just under half of the budgeted amount. (1,005)

##### **Lower Howsell - replacement of two springers**

The original budget for new play equipment at Victoria Park was £2,000, savings have therefore been achieved. (320)

##### **Fencing at Lower Howsell**

Fencing works were completed at Lower Howsell with budget savings being achieved due to a slight amendment in the project specification based on operational needs. (3,905)

##### **Replacement Fencing at Townsend Way**

Expenditure on this project is below budget due to a slight amendment in the project specification based on operational needs for the site. (2,040)

##### **Refurbishment of Jamaica Crescent Play Area**

Although included in the budget for 2021/22, the cost of the play area refurbishment was capitalised as part of the Year End Accounting Process. (8,000)

##### **Refurbishment of Bus Shelter outside of Rose Bank Gardens**

Expenditure on this project has now been earmarked and carried forward into the 2022/23 financial year due to delays in sourcing a suitable contractor for this specialised work. (15,000)

##### **Jenny Lind Fountain in Rose Bank Gardens**

Due to contractor delays, works will now be completed in the 2022/23 financial year. (3,750)

##### **Installation of New Basketball Courts at Victoria Park**

This project has now been completed with Section 106 monies received, capitalisation of the surfacing and equipment and a reversal from reserves to match storage costs covered by the contractors. (1,757)

##### **Victoria Park - New Pavilion Project**

Costs have been incurred for the first stages of the project to build a new Community Hub at Victoria Park. This includes completion of the surveys required for the planning application and the disconnection of the gas supply to the current pavilion. 13,068

##### **Path Edging Works in Rose Bank Gardens**

An earmarked reserve was created to carry these funds forward from the previous year, therefore the project costs have been covered by a release from this reserve. 2,906

##### **Works to investigate Land Slippage**

Investigatory works have taken place during the year in respect of the slippage of land in Rose Bank Gardens. 9,695

## MALVERN TOWN COUNCIL

### SUMMARY OF MAJOR VARIANCES - FINANCIAL YEAR 2021/22

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

**Refurbishment of Barnards Green Bus Shelter**

Due to issues with planning permission, this project had been carried forward from the 2020/21 financial year. 1,026  
Works have been completed, but costs have been significantly reduced as most of the work was carried out by Town Council operational staff. A release of the monies earmarked, but no longer required has been made at Year End.

**Repairs to Roof at Great Malvern Cemetery**

Works have been completed with significant savings against budget. (3,000)

**Replacement Sleepers for Compost Pit at Great Malvern Cemetery**

Following Council approval, sleepers were replaced in the composting area at Great Malvern Cemetery. 1,167  
This was not included in the original budget, but was approved by Council during the year.

**New Wood Chipper**

Although included in the budget for 2021/22, the cost of the wood chipper was capitalised as part of the Year End Accounting Process. (12,000)

**Contingency Fund**

Although included in the budget for 2021/22, Council have not agreed any specific use for the contingency fund in 2021/22 (10,000)

**Budget 2021/22 (140)**

**Year End Deficit 16,817**

**Variance against Budget 16,957**

**MALVERN TOWN COUNCIL 2021/22 ACCOUNTS**

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR  
ENDED 31 MARCH 2022**

<b>Cost of Services</b>	-----2022-----			<b>2021</b>
	<b>Gross expend- iture £</b>	<b>Gross income £</b>	<b>Net expend- iture £</b>	<b>Net expend- iture £</b>
Cemetery	126,012	53,880	72,132	70,707
Allotments	16,905	5,775	11,130	12,194
Maintenance of other Town Council grounds	190,948	57,810	133,138	138,015
Leisure and recreation services	148,047	10,948	137,099	187,729
Miscellaneous services	15,793	-	15,793	28,021
Other services provided to the public	138,767	3,030	135,737	101,631
Administration - Corporate and democratic support	172,397	51,434	120,963	154,119
Administration - Professional support	40,992	-	40,992	18,172
Grants to local bodies	47,586	-	47,586	70,576
<b>NET COST OF SERVICES</b>	<b>897,447</b>	<b>182,877</b>	<b>714,570</b>	<b>781,164</b>
Interest, deferred grants and investment income			(11,555)	(12,793)
<b>NET OPERATING EXPENDITURE</b>			<b>703,015</b>	<b>768,371</b>
<b>Precept on District Council</b>			(682,890)	(682,890)
<b>(SURPLUS) / DEFICIT FOR THE YEAR</b>			<b>20,125</b>	<b>85,481</b>
<u>Reconciliation of Items for Movement on General Fund</u>				
Removal of depreciation and deferred contributions to avoid impact on precept			(96,334)	(106,860)
Movement on Earmarked Reserves			41,351	(11,720)
Capital Financed from Revenue			51,675	45,600
Removal of Income from Sale of Land to Reserves			-	-
Deficit for the Year Ended 31 March 2022 after movements on General Fund			<b>16,817</b>	<b>12,501</b>

**MALVERN TOWN COUNCIL 2021/22 ACCOUNTS**  
**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2022**

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>	<b>1</b>		
Operational assets			
Land and buildings		1,721,347	1,650,834
Plant, vehicles and equipment		110,590	86,155
Infrastructure		-	-
Non-operational assets		-	-
		<u>1,831,937</u>	<u>1,736,989</u>
Long Term Investments	<b>2</b>	247,877	247,877
<b>CURRENT ASSETS</b>			
Stocks	<b>3</b>	-	-
VAT recoverable		11,232	7,732
Debtors	<b>4</b>	10,489	7,295
Payments in advance		8,944	33,116
Cash in hand and at bank	<b>5</b>	552,284	466,838
		<u>582,949</u>	<u>514,981</u>
<b>CURRENT LIABILITIES</b>			
Creditors	<b>6</b>	(123,694)	(70,605)
Receipts in advance		(5,630)	(5,535)
Short term borrowing	<b>7</b>	-	-
		<u>(129,324)</u>	<u>(76,140)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,533,439	2,423,707
<b>LONG TERM BORROWING</b>	<b>7</b>	-	-
<b>DEFERRED GRANTS AND CONTRIBUTIONS</b>		(104,570)	(113,463)
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u>2,428,869</u>	<u>2,310,244</u>
<b>REPRESENTED BY:</b>			
Fixed asset restatement account	<b>8</b>	1,321,192	1,301,192
Capital financing account	<b>8</b>	273,128	199,037
Earmarked and special reserves	<b>9</b>	329,249	287,898
Balance on income and expenditure account		505,300	522,117
		<u>2,428,869</u>	<u>2,310,244</u>

These financial statements were approved by the Council on 23 June 2022 and signed on its behalf:

.....  
Town Mayor

.....  
Town Clerk

MALVERN TOWN COUNCIL 2021/22 ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

1. FIXED ASSETS

1.1 Movements in fixed assets

	Operational property £	Vehicles, plant & machinery £	Infra- structure £	2022 £	Totals 2021 £
<b>Cost</b>					
At 1 April 2021	1,830,489	614,061	8,608	2,453,158	2,497,691
Additions	-	61,425	-	61,425	50,790
Revaluation	20,000	-	-	20,000	(73,211)
Disposals	-	-	-	-	(22,112)
At 31 March 2022	<u>1,850,489</u>	<u>675,486</u>	<u>8,608</u>	<u>2,534,583</u>	<u>2,453,158</u>
<b>Depreciation</b>					
At 1 April 2021	179,654	527,906	8,608	716,168	886,709
Charge in year	68,238	36,990	-	105,228	115,753
Revaluation	-	-	-	-	-
Eliminated on disposals / revaluation	(118,750)	-	-	(118,750)	(286,292)
At 31 March 2022	<u>129,142</u>	<u>564,896</u>	<u>8,608</u>	<u>702,646</u>	<u>716,168</u>
<b>Net Book Value</b>					
At 31 March 2022	<u>1,721,347</u>	<u>110,590</u>	<u>-</u>	<u>1,831,937</u>	<u>1,736,989</u>
At 31 March 2021	<u>1,650,835</u>	<u>86,155</u>	<u>-</u>	<u>1,736,989</u>	<u>1,610,983</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 2021, the next valuation is therefore due on 1 April 2026.

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

2022

2021

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:

	2022	2021
Interest receivable on investments and bank accounts	701	665
Sundry debtors	9,788	6,630
	<u>10,489</u>	<u>7,295</u>

MALVERN TOWN COUNCIL 2021/22 ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

5. CASH IN HAND AND AT BANK	2022	2021
Current Account	475,157	389,507
Public Sector Deposit Account	258,516	258,516
less Long Term Earmarked Reserves	(181,393)	(181,393)
Petty Cash	68	208
Unity Credit Card	(64)	-
Cheques Received not Banked	-	-
	<u>552,284</u>	<u>466,838</u>

6. CREDITORS	2022	2021
An analysis of creditors is as follows:		
HM Revenue & Customs	11,941	8,794
Creditors	67,174	27,489
Accruals	44,579	34,322
	<u>123,694</u>	<u>70,605</u>

7. **BORROWINGS** At 31 March 2022, 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	2022	2021
	£	£	£	£	£	£
Balance at 1 April 2021	(1,301,192)	(199,037)	(522,117)	(287,898)	(2,310,244)	(2,310,244)
Net (surplus)/deficit for year	-	-	16,817	-	16,817	12,501
Disposal of fixed assets	-	-	-	-	-	-
Revaluation / Impairment	(20,000)	(118,750)	-	-	(138,750)	(190,969)
Release of retentions	-	-	-	-	-	-
Movements on EM reserves	-	-	-	(41,351)	(41,351)	11,720
Net depreciation of fixed assets	-	96,334	-	-	96,334	106,860
Financing of fixed assets	-	(51,675)	-	-	(51,675)	(45,600)
Balance at 31 March 2022	<u>(1,321,192)</u>	<u>(273,128)</u>	<u>(505,300)</u>	<u>(329,249)</u>	<u>(2,428,869)</u>	<u>(2,310,244)</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 2022			
	Balance as at 1 April 2021	Addition to reserves	Contributions from reserves	Balance as at 31 March 2022
	£	£	£	£
Elections	6,810	2,500	-	9,310
Cemetery extension	16,659	-	-	16,659
Asset Repair and Development Reserve	640	49,080	(13,229)	36,491
Events and Grants	12,500	-	-	12,500
Vehicle and Machinery Replacement Fund	49,889	15,000	(12,000)	52,889
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>287,898</u>	<u>66,580</u>	<u>(25,229)</u>	<u>329,249</u>



MALVERN TOWN COUNCIL 2021/22 ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

10. STAFFING STRUCTURE

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

	2022	2021
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	3.6
Town Clerk	1.0	1.0
Total numbers:	<u>13.6</u>	<u>13.6</u>
Full time equivalents	<u>13.6</u>	<u>13.6</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.

	2022	2021
Annual product per head	8.41	8.32
Number of registered electors	22,864	22,864
Maximum permissible amount under section 137	<u>192,286</u>	<u>190,228</u>
Expenditure during the year comprised the following:		
Remembrance Observation	409	19
Other grants and donations	20,667	41,639
Citizen's Advice Bureau Grant	16,000	15,500
Community Action Grant	10,900	10,900
	<u>47,976</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:

	2022	2021
Public consultation	1,901	-
Council Newsletter	3,147	1,522
Covid-19 Information	-	1,906
Statutory and public notices	413	687
Availability of grants	610	612
Events Publicity	630	-
Employment Vacancies	-	665
	<u>6,701</u>	<u>5,392</u>