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**EARLEY TOWN COUNCIL**

**UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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## Earley Town Council

### Explanatory foreword to the financial statements for the year ended 31 March 2020

The Council's financial statements for the year ended 31 March 2020 are set out on the pages attached and consist of the following:

- ▶ **The Income & Expenditure Account**, showing income and expenditure on all services.
- ▶ **The Balance Sheet**, setting out the Council's financial position at the year end.
- ▶ **Notes to the financial statements**, providing information on amounts included

This Foreword provides a brief summary highlighting the more important aspects of the Council's activities and its financial position, and it facilitates a greater understanding of these matters.

#### Basis of preparing the financial statements

As the Council's income is less than £6,500,000, the Council's financial statements follow the directions for medium-sized councils in the Practitioner's Guidance, which is endorsed by CIPFA and is thus regarded as proper practice. The balance sheet therefore excludes fixed assets such as premises, equipment and infrastructure and any associated external loans, and depreciation is not charged.

#### Audit opinion on accounts

As the Council falls within the limited assurance audit regime, the statutory accounts are included in Section 2 of the annual return for external audit, as a summary of the year's income and expenditure, reserves, fixed assets and long-term borrowings as detailed in these unaudited financial statements. The external auditors' opinion will be given in due course on the accounts within the annual return, which was also approved at the Council meeting on 29 July 2020.

#### Outturn for the year

The outturn for the year is set out in the Income & Expenditure Account on page 4 and may be summarised as follows:

	<b>£</b>
Net cost of services after income from fees and charges	654,388
Interest received	4,068
Amount to be met by precept	650,320
Precept on the Borough Council	881,817
Community Infrastructure Levy (CIL)	24,792
Net income for the year	256,289
Transfers to earmarked reserves (net)	-29,330
Amount added to General Fund for the year	226,959
General Fund balance brought forward	466,167
General Fund balance carried forward	693,126

#### Review of the year's activities

The Council's community centres continue to be well patronised and income has risen by £15,086 (8.9%). The closure of the community centres due to the COVID-19 pandemic resulted in a loss of income in March of £3,608.

The Council's parks and sports pitches produced an income of £20,324 which was a fall of £12,490 (61.45%). This can in part be explained by the annual sport pitch income from Laurel Park (£6,731) being accrued for whilst an arrangement with the Borough regarding the management of the bookings

## **Earley Town Council**

### **Explanatory foreword to the financial statements for the year ended 31 March 2020**

**(continued)**

is finalised. Adverse weather over the winter months prevented the play of a number of football matches and the season came to an abrupt end due to the COVID-19 pandemic.

The Council received a contribution of £24,792 under the Community Infrastructure Levy (CIL) scheme, increasing the total CIL funds to £51,475 which is to be spent on community projects within five years from receipt.

#### **Statement of responsibilities for the financial statements**

The Council is required to:

- ▶ Make arrangements for the administration of its financial affairs;
- ▶ Secure that one of its officers (referred to as the Responsible Officer) is responsible for the administration of those affairs. At this Council, that officer is the Town Clerk.
- ▶ Manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets

The Responsible Officer is responsible for ensuring the preparation of the Council's financial statements in accordance with proper practices so far as applicable to this Council, to present fairly the financial position of the Council at 31 March 2020 and its income and expenditure for the year then ended. In relation to the preparation of the financial statements, the Responsible Officer has ensured that:

- ▶ Suitable accounting policies have been selected and consistently applied;
- ▶ That the judgements that were made were reasonable and prudent; and
- ▶ Guidance has been complied with.

The Responsible Officer has also ensured that:

- ▶ Proper accounting records were kept that were up to date at year end;
- ▶ Reasonable steps were taken for the prevention and detection of fraud and other irregularities.

Signed .....

Chairman of the Council

Dated 29<sup>th</sup> July 2020

Council Offices  
Radstock Lane  
Earley  
Reading  
RG6 5UL

**Earley Town Council**  
**Income & Expenditure Account for the year ended 31 March 2020**

<b>Services</b>	<b>Note</b>	<b>Year Ended 31 March 2020</b>			<b>2019</b>
		<b>Expense</b>	<b>Income</b>	<b>Net</b>	<b>Net</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Community centres		26,057	-185,364	-159,307	-132,861
Parks and sports pitches		35,325	-20,324	15,001	37,919
Maiden Erlegh Nature Reserve		7,606	-2,129	5,477	10,029
Other amenities and open spaces		7,958	-3,825	4,133	2,681
Cemetery		9,785	-83,641	-73,856	-57,349
Help Shop		0	-14,000	-14,000	-14,000
Grants and community support	2	11,113	-2,802	8,311	10,425
Capital expenditure	6	23,738	0	23,738	60,777
General administration		848,889	-3,998	844,890	759,034
<b>Net cost of services</b>		<b>970,471</b>	<b>-316,083</b>	<b>654,388</b>	<b>676,655</b>
Interest and investment income				4,068	3,093
<b>Net operating expenditure</b>				<b>650,320</b>	<b>673,562</b>
Precept on the Borough Council				881,817	859,700
Community Infrastructure Levy (CIL)				24,792	
Net income/expenditure(-) for the year				<b>256,289</b>	<b>186,138</b>
<b>Movement on General Fund balance:</b>					
Balance brought forward				466,167	292,029
Transfers (net) to earmarked reserves	10			-29,330	-12,000
Net income/expenditure(-) as above				256,289	186,138
Balance carried forward				<b>693,126</b>	<b>466,167</b>

For the year ended 31 March 2020, all employment costs were accounted for under General Administration rather than apportioned against each of the Town Council services. The 2019 net figure comparatives have been restated to reflect this.

The notes on pages 5 to 8 form part of the financial statements.

**Earley Town Council**  
**Balance Sheet at 31 March 2020**

	Notes	31 March 2020		31 March 2019	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	1,6				
<b>Current assets</b>					
Debtors	8	45,391		89,038	
Bank term deposits		329,982		329,189	
Other bank accounts		513,437		286,050	
			888,810		704,278
<b>Current liabilities</b>					
Creditors and accrued expenses	9		-28,764		100,519
<b>Total assets less current liabilities</b>			<b>860,046</b>		<b>603,758</b>
<b>Capital and reserves</b>					
Earmarked reserves	10	166,920		137,591	
General Fund balance		693,126		466,167	
			<b>860,046</b>		<b>603,758</b>

The Council falls within the limited assurance audit regime, and so the external audit opinion will be provided on the Annual Return, which includes a summary of the Income and Expenditure Account, fixed assets and associated long-term loans, and reserves. The audit opinion will be provided and advertised in due course.

These financial statements present fairly the financial position of the Council as at 31 March 2020 and reflect its income and expenditure for the year. These accounts were approved at a meeting of the Council held on 29 July 2020.

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**Chairman of the Council**

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**Responsible Financial Officer**

# **Earley Town Council**

## **Notes to the financial statements for the year ended 31 March 2020**

### **1. Principal accounting policies**

#### **Accounting convention**

The financial statements have been prepared in accordance with the directions for local councils in the Practitioner's Guidance, which is endorsed by CIPFA and is thus regarded as proper accounting practice as applied to the accounting statements for local councils.

#### **Fixed assets and associated long-term borrowing**

The Council's financial statements do not include the value of fixed assets on the balance sheet or depreciation in the Income & Expenditure Account. The acquisition, creation or enhancement of fixed assets is expensed to revenue each year, and disposal proceeds are credited to a capital receipts reserve if not immediately used to fund capital expenditure.

Fixed assets are stated in the Notes as valued on the bases recommended by CIPFA and in accordance with the statements of asset valuation principles and guidance notes issued by the Royal Institution of Chartered Surveyors (RICS), subject to a de minimis of £500. The closing balances are stated on the following basis:

Land, operational properties and equipment, infrastructure and community assets are valued at the lower of cost or valuation, less depreciation to 31 March 2011. In accordance with Practitioners' Guidance, depreciation is no longer provided.

Certain community assets are the subject of restrictive covenants as to their use and/or future disposal. Such assets are therefore considered to have no appreciable realisable value and are stated at a nominal value.

Long-term borrowing to finance the acquisition of fixed assets similarly is not included on the balance sheet. Amounts received are credited to capital receipts reserve and then released to revenue when used, and repayments are expensed to revenue when incurred.

#### **Debtors and creditors**

The financial statements are prepared on an accruals basis. Amounts due to or from the Council during the year are therefore included whether or not the cash has actually been received or paid in the year.

#### **Reserves**

The Council maintains certain operational reserves to meet general and specific future expenditure. The purpose of the Council's reserves is explained in Note 10.

#### **Pensions**

The pension costs in these financial statements are the employer's contributions paid to the Local Government Pension Scheme (LGPS), which is a defined benefit scheme. These contributions are determined by the Fund's actuary on a triennial basis and are set to meet 100% of the liabilities of the Fund, in accordance with relevant local government regulations.

**Earley Town Council**  
**Notes to the financial statements for the year ended 31 March 2020 (continued)**

**General administration and support service costs**

Central administrative support costs are reallocated direct to the services concerned, so far as they can reasonably be ascertained. The remaining administrative costs, including those relating to the democratic process, are shown as a separate service cost in the Income & Expenditure Account.

**2. Grants and support for community organisations**

Each year the Council provides grants and other financial support for community organisations. These grants are made using the General Power of Competence which was adopted by the Council at the Annual Meeting held on 15 May 2020.

Grants awarded in the year were as follows:

	<b>2020</b>	<b>2019</b>
	<u>£</u>	<u>£</u>
Transport Services	2,450	2,400
Youth Work	3,223	2,400
Citizens Advice Bureau	2,000	2,000
Sports Sponsorship	850	775
Other Donations	2,590	2,850
	11,113	10,425

**3. Employees**

The average number of staff employed by the Council was

	<b>Number</b>	<b>Number</b>
Full-time	14	13
Part-time	13	15
	27	28

**4. Advertising and publicity**

The Council's expenditure on advertising and publicity was as follows

	<u>£</u>	<u>£</u>
Advertising	691	1,565
Website maintenance	1,877	4,485
	2,568	6,050

**5. Pension costs**

The Council's staff members are eligible to become members of the Berkshire County Pension Scheme, which is administered by The Royal Borough of Windsor & Maidenhead, and 22 staff are currently members. The Council's contributions as employer during the year ended 31 March 2020 were £110,240 (2019: £95,584). Employer contributions were 23.8% of pensionable salaries (2019: 22.1%).

**Earley Town Council**  
**Notes to the financial statements for the year ended 31 March 2020 (continued)**

**6. Fixed assets**

	£
Operational land and buildings (see below)	
Maiden Place Community Centre (long leasehold, peppercorn rent)	601,750
Radstock Lane Community Centre (long leasehold, peppercorn rent)	471,554
Council Offices, Radstock Lane (freehold)	274,200
Maiden Erlegh Nature Reserve Interpretation Centre (freehold)	93,851
Paddock Drive open space and BMX track	126,506
Sol Joel Pavilion	572,978
Other land and buildings	128,813
Laurel Park Pavilion (14 year lease from Wokingham BC)	1
Vehicles and equipment	
Vehicles	94,341
Grounds and general maintenance, and Council administration	142,525
Play equipment in parks	325,976
Infrastructure assets; street lights (65), bus shelters (44) and public seats	69,485
Community assets	
Sol Joel Park (45 year lease from Reading BC) and Meadow Park	1
Open spaces owned freehold or leased over 25+ years (peppercorn rent)	2
Mays Lane Burial Ground (MLBG)	1
Culver Lane allotments	1
Net book value, not reflected on balance sheet	2,901,985

The Council's freehold land and buildings were valued as at 31 March 2007 by independent external valuers, Martin & Pole, Chartered Surveyors, on the basis set out in the accounting policies.

Amounts added to fixed assets in the year were as follows

Ford Transit Van (replacing one older vehicle)	19,995
Other major expenditure not creating new assets	3,743
Capital expenditure in the year	23,738

Capital receipts in the year were as follows

Community Infrastructure Levy received, transferred to reserves	24,792
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**Earley Town Council**  
**Notes to the financial statements for the year ended 31 March 2020 (continued)**

**7. Loan from Public Works Loan Board (PWLB)**

The Council borrowed £350,000 towards the cost of constructing the new Pavilion in Sol Joel Park. The first tranche of £150,000, drawn down in January 2013, is repayable over 25 years in equal instalments of £3,000 every six months and bears interest at 3.4% per annum. The remaining £200,000 was drawn down in June 2013 and is repayable over 25 years by instalments of £4,000 every six months and bears interest on this loan is 3.53 % per annum.

The movement on PWLB indebtedness over the year is as follows:

	<u>£</u>
Indebtedness at 1 April 2019	270,000
Repayments	14,000
Indebtedness at 31 March 2020	256,000

**8. Debtors and prepayments**

	<b>2020</b>	<b>2019</b>
	<u>£</u>	<u>£</u>
Debtors for Council services	30,914	36,879
Other debtors	5,427	6,646
Value Added Tax	4,031	2,691
Prepaid expenses	5,019	42,820
	45,391	89,036

**9. Creditors and accrued expenses**

	<b>2020</b>	<b>2019</b>
	<u>£</u>	<u>£</u>
Trade creditors and accruals	27,878	77,879
Payroll deductions & employer contributions, month 12	-	20,808
Income in advance	742	946
Charitable Money Received on Behalf of the Mayor's Charity	144	1,010
	28,764	100,517

**10. Earmarked reserves**

	<b>2019</b>	<b>Transfers</b>	<b>2020</b>
	<u>£</u>		<u>£</u>
Community Infrastructure Levy <i>These funds are held until specific projects are identified but must be used within five years</i>	26,683	24,792	51,475
Deferred projects			
Sol Joel Park enhancements	86,000	500	86,500
Laurel Park enhancements	7,000	-	7,000
IT Upgrade	-	15,000	15,000
Other projects	6,946	-	6,946
Elections	10,962	-10,962	0
	137,591	29,330	166,921

## **Earley Town Council**

### **Notes to the financial statements for the year ended 31 March 2020 (continued)**

#### **11. Tenancies**

The Council's community centre at Maiden Place has a resident social club that is a tenant under a repairing lease paying £16,200 annual rental.

The resident social club at the Council's community centre at Radstock Lane ceased trading in December 2019, annual rental of £3,625 was received.

#### **12. Contingent liabilities**

The Council had no contingent liabilities at 31 March 2020 (2019: none).