



EARLEY TOWN COUNCIL

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

Earley Town Council

Explanatory foreword to the financial statements for the year ended 31 March 2021

The Council's financial statements for the year ended 31 March 2021 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 17 June 2021.

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:

	<u>£</u>
Net cost of services after income from fees and charges	704,378
Interest received	1,521
Amount to be met by precept	<u>702,857</u>
Precept on the Borough Council	978,271
Community Infrastructure Levy (CIL)	<u>19,252</u>
Net income for the year	294,666
Transfers to earmarked reserves (net)	<u>-217,271</u>
Amount added to General Reserves for the year	77,396
General Reserves balance brought forward	693,126
General Reserves balance carried forward	<u>770,521</u>

Review of the year's activities

The Covid-19 pandemic had a huge impact on the Council over the past twelve months causing significant operational and financial challenges. The Council employed an adaptive approach to deal with the ever-changing situation and the Officers worked together to continue providing essential services to the residents of Earley throughout the pandemic. Despite the offices being closed to visitors during certain periods, in accordance with the government lockdown restrictions, the offices remained open throughout to handle email and telephone enquiries and provide information and advice to residents on how to access different services.

Government lockdown restrictions were already in place at the start of the financial year and as a result, the Council's community centres did not reopen until 7th September 2020. The second wave and subsequent lockdowns meant the community centres were again forced to close on 4th November and remain closed until the end of the financial year. During these periods of closure, the only hirers permitted to carry on operating were the preschools based at Maiden Place Community Centre and Silverdale Community Centre who were classified as an essential service. The Council received grants of £8,906 in respect of loss of income for Radstock Lane and Maiden Place Community Centres. As a result of the year's events, community centre income fell by £128,986 (69.6%).

Nationwide lockdown restrictions on outdoor team sports led to the cancellation of the cricket season and the last four months of the football season. Although the Income & Expenditure report shows an income of £18,676, the true figure is only £8,907. In 2019/20, the Council accrued for £6,731 of Laurel Park pitch hire income. As part of the year end closedown procedure, Rialtas advised these funds be moved, along with the current year fund (£3,037), to an earmarked reserve whilst an arrangement with the Borough regarding the management of the bookings is finalised. Parks and sports pitch income of £8,907 is a fall of £11,417 (56.2%).

The Council received £19,252 under the Community Infrastructure Levy (CIL) scheme, increasing the total CIL funds to £70,727 which is to be spent on suitable community projects within five years from receipt.

Initially the Council were not eligible to claim for employees' wages through the Coronavirus Job Retention Scheme, however later changes to the legislation meant that the Council were able to benefit from this scheme in respect of certain job roles. Three caretakers were placed on furlough throughout December and January, with flexible furlough being used thereafter. The Council received £16,371 through the government's Job Retention Scheme.

A decision was made early in the year to prioritise essential services and restrict non-essential expenditure in other areas in order to preserve the Council's finances during the unprecedented situation. Despite the significant loss of income from Council services, the Council's cautious approach to expenditure meant the year finished with an increase to the general reserves of £77,396.

Earley Town Council

Explanatory foreword to the financial statements for the year ended 31 March 2021

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 2021 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 17 June 2021.

Council Offices

Radstock Lane

Earley

Reading

RG6 5UL

Earley Town Council
Income & Expenditure Account for the year ended 31 March 2021

Services	Note	Year Ended 31 March 2021			2020
		Expense £	Income £	Net £	Net £
Community centres		39,405	-56,396	-16,991	-159,307
Parks and sports pitches		35,930	-18,676	17,254	15,001
Maiden Erlegh Nature Reserve		5,761	-3,158	2,603	5,477
Other amenities and open spaces		6,531	-3,741	2,790	4,133
Cemetery		3,104	-90,110	-87,006	-73,856
Help Shop		0	-14,000	-14,000	-14,000
Grants and community support	2	11,325	0	11,325	8,311
Capital expenditure	6	8,310	0	8,310	23,738
General administration		796,769	-16,676	780,093	844,890
Net cost of services		907,135	-202,757	704,378	654,388
Interest and investment income				1,521	4,068
Net operating expenditure				702,857	650,320
Precept on the Borough Council				978,271	881,817
Community Infrastructure Levy (CIL)				19,252	24,792
Net income/expenditure(-) for the year				294,666	256,289
Movement on General Reserves balance:					
Balance brought forward				693,126	466,167
Transfers (net) to earmarked reserves	10			-217,271	-29,330
Net income/expenditure(-) as above				294,666	256,289
Balance carried forward				770,521	693,126

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

Earley Town Council
Balance Sheet at 31 March 2021

	Notes	31 March 2021		31 March 2020	
		£	£	£	£
Fixed assets					
Tangible fixed assets	1,6				
Current assets					
Debtors	8	34,880		45,391	
Bank term deposits		330,702		329,982	
Other bank accounts		848,206		513,437	
			1,213,787		888,810
Current liabilities					
Creditors and accrued expenses	9		-59,074		-28,764
Total assets less current liabilities			1,154,713		860,046
Capital and reserves					
Earmarked reserves	10		384,192		166,920
General Reserves balance			770,521		693,126
			1,154,713		860,046

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 2021 and reflect its income and expenditure for the year. These accounts were approved at a meeting of the Council held on 17 June 2021.

.....
Chairman of the Council

.....
Responsible Financial Officer

Earley Town Council
Notes to the financial statements for the year ended 31 March 2021

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 2021 (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 2019.

Grants awarded in the year were as follows:

	2021	2020
	£	£
Transport Services	2,475	2,450
Youth Work	1,800	3,223
Citizens Advice Bureau	2,000	2,000
Sports Sponsorship	750	850
Other Donations	4,300	2,590
	11,325	11,113

3. Employees

The number of staff employed by the Council at the yearend was

	Number	Number
Full-time	12	14
Part-time	8	13
	20	27

4. Advertising and publicity

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

	£	£
Advertising	0	691
Website maintenance	1,908	1,877
	1,908	2,568

Earley Town Council

Notes to the financial statements for the year ended 31 March 2021 (continued)

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 18 staff are currently members. The Council's contributions as employer during the year ended 31 March 2021 were £113,505 (2019/20: £110,240). Employer contributions were 24.3% of pensionable salaries (2019/20: 23.8%).

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
Paddick 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.

There were no additions or disposals to fixed assets in the year

Capital receipts in the year were as follows

Community Infrastructure Levy received, transferred to reserves	19,252
---	--------

Earley Town Council**Notes to the financial statements for the year ended 31 March 2021 (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 2020	256,000
Repayments	14,000
Indebtedness at 31 March 2021	242,000

8. Debtors and prepayments

	2021	2020
	<u>£</u>	<u>£</u>
Debtors for Council services	24,032	30,914
Other debtors	0	5,427
Value Added Tax	6,931	4,031
Prepaid expenses	3,917	5,019
	34,880	45,391

9. Creditors and accrued expenses

	2021	2020
	<u>£</u>	<u>£</u>
Trade creditors and accruals	59,074	27,878
Payroll deductions & employer contributions, month 12	-	-
Income in advance	-	742
Charitable Money Received on Behalf of the Mayor's Charity	-	144
	59,074	28,764

Earley Town Council**Notes to the financial statements for the year ended 31 March 2021 (continued)****10. Earmarked reserves**

	2020 £	Transfers	2021 £
Community Infrastructure Levy <i>These funds are held until specific projects are identified but must be used within five years</i>	51,475	19,252	70,727
Bus Shelters	-	10,000	10,000
Cemetery Extension	-	90,000	90,000
Elections	0	6,250	6,250
Environmental Projects	-	15,000	15,000
IT Upgrade	15,000		15,000
Laurel Park Enhancements	7,000		7,000
Laurel Park Pitch Income	-	9,769	9,769
Meadow Park Playground	-	10,000	10,000
Other Projects	6,945		6,945
Sol Joel Park Enhancements	86,500		86,500
Vehicles	-	2,000	2,000
Youth Projects	-	5,000	5,000
Covid Recovery		50,000	50,000
	166,920	207,502	384,191

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. Due to the Covid-19 lockdown restrictions, the social club has been closed to customers for 9 months of the year, during which they were unable to generate any income. During these periods of closure, monthly rental was charged at 50% therefore an annual rent of £10,125 was received.

12. Contingent liabilities

The Council had no contingent liabilities at 31 March 2021 (2019/20: none).

