



EARLEY TOWN COUNCIL

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

Earley Town Council

Explanatory foreword to the financial statements for the year ended 31 March 2022

The Council's financial statements for the year ended 31 March 2022 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 15 June 2022.

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 | 688,771 |
| Less: Interest received | 214 |
| Amount to be met by precept | 688,557 |
| Precept on the Borough Council | 988,054 |
| Community Infrastructure Levy (CIL) | 12,721 |
| Net income for the year | 312,218 |
| Transfers to earmarked reserves (net) | -115,220 |
| Amount added to General Reserves for the year | 196,998 |
| General Reserves balance brought forward | 770,521 |
| General Reserves balance carried forward | 967,519 |

Earley Town Council

Explanatory foreword to the financial statements for the year ended 31 March 2022

Review of the year's activities

The Covid-19 pandemic continued to have an impact on the Council, particularly in the first nine months, causing on-going operational and financial challenges, including working around several Covid cases amongst staff. The Council's on-going adaptive approach to deal with the ever-changing situation and with the Officers working together, essential services to the residents of Earley continued to be provided throughout the period. Despite the offices being closed to visitors during certain periods, in accordance with the government lockdown restrictions, the offices continued to remain 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 still in place at the time of the 2021/22 budget setting process and into the start of the financial year. In April 2021 the Community Centres were able to open at a reduced capacity for hiring in line with Government guidelines but remained closed for party hire. Take up of hiring by Clubs and Individuals was understandably cautious when restrictions began to be gradually eased. Income remained well below the pre pandemic levels for Centres and Sports Pitches (approximately 53% of the income levels received in the year 2018/19). Given the above uncertainty on income a cautious expenditure budget was again set for the year.

In the year the Council received £12,721 under the Community Infrastructure Levy (CIL) scheme and utilised £13,282 of the fund on a project to put new swings into Meadow Park play area, leading to a small overall reduction in the total CIL funds to £70,167 at 31 March 2022. This fund is to be spent on suitable community projects within five years from receipt.

At the start of the year the Council continued to be able to benefit from the Coronavirus Job Retention Scheme in respect of certain job roles. Three caretakers remained on flexible furlough from April to July 2021 with the Council receiving £5,005 (2020/21 £16,371) through the Scheme.

Essential expenditure continued to be prioritised including significant Building Health and Safety measures to both Maiden Place and Radstock Lane Community Centres, a major IT upgrade replacing aging Council Office computer hardware and software, and the purchase of battery-operated outdoor tools. Even though the year was still one of national uncertainty in terms of on-going impacts from the pandemic, Earley Town Council (ETC) was still able to stage a successful series of events, '26 to COP26', underlining its commitment to tackling climate change. The Council also began refurbishing the former Social Club at Radstock Lane Community Centre to turn it into a comfortable Community Space for local Charities and groups. As 2021/22 progressed, additional staff members were appointed and the Council was able to look forward and plan for the projects that had been delayed by two years of global economic uncertainty. Ear-marked reserves for key future projects were increased in the year by £115,219. Despite the continuing reduced income from Council services and the spend highlighted above, the Council's cautious approach to budgeting and expenditure has meant the year finished with an increase to the General Reserves of £196,998. This left ETC in a strong financial position to be able to progress work on significant projects whilst also ensuring there was no increase for residents in terms of the Town Council's precept.

Earley Town Council

Explanatory foreword to the financial statements for the year ended 31 March 2022

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 2022 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 15 June 2022

Council Offices

Radstock Lane

Earley

Reading

RG6 5UL

Earley Town Council
Income & Expenditure Account for the year ended 31 March 2022

| Services | Note | Year Ended 31 March 2022 | | | 2021 |
|--|------|--------------------------|-----------------|----------------|----------------|
| | | Expense £ | Income £ | Net £ | Net £ |
| Community centres | | 58,054 | -91,086 | -33,032 | -16,991 |
| Parks and sports pitches | | 40,748 | -15,713 | 25,035 | 17,254 |
| Maiden Erlegh Nature Reserve | | 4,298 | -2,547 | 1,751 | 2,603 |
| Other amenities and open spaces | | 8,523 | -3,870 | 4,653 | 2,790 |
| Cemetery | | 4,078 | -96,694 | -92,616 | -87,006 |
| Help Shop | | 0 | -14,000 | -14,000 | -14,000 |
| Grants and community support | 2 | 15,469 | 0 | 15,469 | 11,325 |
| Capital expenditure | 6 | 24,222 | 0 | 24,222 | 8,310 |
| General administration | | 766,093 | -8,804 | 757,289 | 780,093 |
| Net cost of services | | 921,485 | -232,714 | 688,771 | 704,378 |
| Interest and investment income | | | | 214 | 1,521 |
| Net operating expenditure | | | | 688,557 | 702,857 |
| Precept on the Borough Council | | | | 988,054 | 978,271 |
| Community Infrastructure Levy (CIL) | | | | 12,721 | 19,252 |
| Net income/expenditure(-) for the year | | | | 312,218 | 294,666 |
| Movement on General Reserves balance: | | | | | |
| Balance brought forward | | | | 770,521 | 693,126 |
| Transfers (net) to earmarked reserves | 10 | | | -115,220 | -217,271 |
| Net income/expenditure(-) as above | | | | 312,218 | 294,666 |
| Balance carried forward | | | | 967,519 | 770,521 |

The notes on pages 5 to 11 form part of the financial statements.

Earley Town Council
Balance Sheet at 31 March 2022

| | Notes | 31 March 2022 | | 31 March 2021 | |
|--|-------|---------------|------------------|---------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible fixed assets | 1,6 | | | | |
| Current assets | | | | | |
| Debtors | 8 | 31,455 | | 34,880 | |
| Bank term deposits | | 330,712 | | 330,702 | |
| Other bank accounts | | 1,128,829 | | 848,206 | |
| | | | 1,490,996 | | 1,213,787 |
| Current liabilities | | | | | |
| Creditors and accrued expenses | 9 | | -24,066 | | -59,074 |
| Total assets less current liabilities | | | 1,466,930 | | 1,154,713 |
| Capital and reserves | | | | | |
| Earmarked reserves | 10 | | 499,411 | | 384,192 |
| General Reserves balance | | | 967,519 | | 770,521 |
| | | | 1,466,930 | | 1,154,713 |

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 2022 and reflect its income and expenditure for the year. These accounts were approved at a meeting of the Council held on 15 June 2022.

.....
Chairman of the Council

.....
Responsible Financial Officer

Earley Town Council
Notes to the financial statements for the year ended 31 March 2022

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 2022 (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:

| | 2022 | 2021 |
|------------------------|-------------|-------------|
| | £ | £ |
| Transport Services | 2,475 | 2,475 |
| Youth Work | 1,500 | 1,800 |
| Citizens Advice Bureau | 6,000 | 2,000 |
| Sports Sponsorship | 1,025 | 750 |
| Other Donations | 4,469 | 4,300 |
| | 15,469 | 11,325 |

3. Employees

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

| | Number | Number |
|-----------|---------------|---------------|
| Full-time | 12 | 12 |
| Part-time | 8 | 8 |
| | 20 | 20 |

4. Advertising and publicity

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

| | £ | £ |
|---------------------|----------|----------|
| Advertising | - | - |
| Website maintenance | 1,750 | 1,908 |
| | 1,750 | 1,908 |

Earley Town Council

Notes to the financial statements for the year ended 31 March 2022 (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 19 staff are currently members. The Council's contributions as employer during the year ended 31 March 2022 were £111,063 (2020/21: £113,505). Employer contributions were 25.3% of pensionable salaries (2020/21: 24.3%).

6. Fixed assets

| | <u>£</u> |
|---|-----------|
| 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 | 146,586 |
| Play equipment in parks | 339,258 |
| Infrastructure assets; street lights (65), bus shelters (50) and public seats | 62,398 |
| 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 | 2,912,240 |

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 additions of £24,222 including £13,282 of expenditure from Community Infrastructure Levy funds and disposals of £13,967 to fixed assets in the year.

Earley Town Council

Notes to the financial statements for the year ended 31 March 2022 (continued)

Capital receipts in the year were as follows

| | |
|---|--------|
| Community Infrastructure Levy (CIL) received, transferred to reserves | 12,721 |
|---|--------|

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 at 3.53 % per annum.

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

| | <u>£</u> |
|-------------------------------|----------|
| Indebtedness at 1 April 2021 | 242,000 |
| Repayments | 14,000 |
| Indebtedness at 31 March 2022 | 228,000 |

8. Debtors and prepayments

| | 2022 | 2021 |
|------------------------------|-------------|-------------|
| | <u>£</u> | <u>£</u> |
| Debtors for Council services | 23,936 | 24,032 |
| Other debtors | - | - |
| Value Added Tax | 4,296 | 6,931 |
| Prepaid expenses | 3,223 | 3,917 |
| | 31,455 | 34,880 |

9. Creditors and accrued expenses

| | 2022 | 2021 |
|------------------------------|-------------|-------------|
| | <u>£</u> | <u>£</u> |
| Trade creditors and accruals | 23,521 | 59,074 |
| Income in advance | 545 | - |
| | 24,066 | 59,074 |

Earley Town Council

Notes to the financial statements for the year ended 31 March 2022 (continued)

10. Earmarked reserves

| | 31 March 2021 £ | Transfers | 31 March 2022 £ |
|--|-----------------------|-----------|-----------------------|
| Community Infrastructure Levy <i>These funds are held until specific projects are identified but must be used within five years</i> | 70,727 | -560 | 70,167 |
| Bus Shelters | 10,000 | 10,000 | 20,000 |
| Cemetery Extension | 90,000 | -5,000 | 85,000 |
| Elections | 6,250 | 12,000 | 18,250 |
| Environmental Projects | 15,000 | -4,737 | 10,263 |
| 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 | 20,000 |
| Other Projects | 6,945 | | 6,945 |
| Sol Joel Park Enhancements | 86,500 | 43,500 | 130,000 |
| Vehicles | 2,000 | 38,000 | 40,000 |
| Youth Projects | 5,000 | | 5,000 |
| Radstock Lane Community Space | | 3,819 | 3,819 |
| Green Events | | 3,265 | 3,265 |
| Radstock Lane Community Centre Improvements | | 5,000 | 5,000 |
| Allotments Improvements | | 600 | 600 |
| Maiden Place Community Centre Doors and Windows | | 10,000 | 10,000 |
| Silverdale Improvements | | 4,000 | 4,000 |
| Pathways | | 799 | 799 |
| Website Upgrade | | 5,000 | 5,000 |
| Covid Recovery | 50,000 | -5,467 | 44,533 |
| | 384,191 | 115,219 | 499,411 |

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 on-going Covid-19 lockdown restrictions, the social club remained closed to customers for the first 2 months of the year, during which they were unable to generate any income. During this period of closure, monthly rental was charged at 50% therefore an annual rent of £14,850 was received (2020/21 £10,250).

12. Contingent liabilities

The Council had no contingent liabilities at 31 March 2022 (2020/21: none).