

Management Accounts Review

**For monitoring purposes, any Variance to Annual Budget / YTD Budget which shows a (Deficit) should be reviewed, and the reasons considered.**

**Any significant Surplus figures are also worth reviewing, as these may indicate a requirement for review of the Annual Budget in future years.**

**Page 1 Balance Sheet**

Current Assets are nearly £1 million (excluding Fixed Assets) – after deducting Current Liabilities, the Net Current Assets stand at £971,825. This shows an increase on last month's figures but this primarily relates to the invoicing of the quarterly Charter Market fees while the District Council's invoice for their 60% share is still to be received.

The 'Financed by' section shows the breakdown of the Year To Date Surplus / (Deficit) which is currently £141,964, together with the Reserves determined at the last Year End, and the Year To Date balance held for the Shakespeare Birthday Celebrations (see below for further details).

The current YTD Surplus reflects timing of the receipt of the second tranche of the Precept in September and expenditure still to be incurred in the final quarter of the financial year. For these reasons, Net Current Assets are expected to fall over the next 3 months.

**Page 1 Investments & Bank and Reserves**

**Investments & Bank** shows a summary of balances of all the Investments, Savings, Bank Accounts and Cash at Month End.

**Reserves** shows the balances as determined at the previous Year End (note these figures will not change during the year). The General Reserve is available to be used for any Council expenditure, while the other Designated Reserves are "ring fenced" and held for specific purposes. The Community Infrastructure Levy (CIL) balance is also "ring fenced", although projects to which this may contribute are still to be recommended and approved by Council.

## Page 2 Summarised Income & Expenditure Account

Looking at the **Variance YTD Budget column** (right hand column):

1. INCOME Variance total is showing a Deficit of £56,978 i.e. there is less income than budgeted for during the financial year to date. Note that it is expected that a significant proportion of the 'income' over the year is going to come from Reserves (the deficit here reflects that Reserves will be taken at year end to cover additional Expenditure, if required – the YTD Actuals figure covers the overspend on Professional Fees, related to Town Hall Maintenance activities).
2. EXPENDITURE Variance total is showing a Surplus of £116,320 i.e. significantly less has been spent than budgeted for the financial year to date (and allowing for additional virements). N.B. the total expenditure is over £20,000 less than at this stage last year.

Looking at the **NET Surplus (Deficit) row**:

3. The Annual Budget shows that Expenditure is expected to exceed Income by £31,400, which will need to be financed from Reserves, as recommended and approved at F&S and GP meetings in 2019 (as per the **notes in red**). This relates to Budget deficits identified during preparation and review of the annual year end accounts, plus additional Expenditure on Insurance Revaluation Survey fees, plus additional Virements approved in September.
4. YTD Actuals 2019-20 (at 31/12/2019) show Income has exceeded Expenditure by £35,789, resulting in a Surplus i.e. less money has been spent than was budgeted (when also allowing for funding from Reserves). Note that most of this Surplus is down to timing, as the District Council's share of £21,591 of the latest quarterly Charter Market fees is still to be paid. Total Expenditure is expected to exceed Income in the remaining quarter of the financial year to 31 March 2020.

Looking at the **summary INCOME rows** with **Variance (Deficit)** values (other than Reserves – see above):

5. Interest on Investments – there is a deficit of £674. The significant deficit reported last month has been reduced following receipt of the annual income on bond maturity in December,

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though it is still anticipated that the Annual Budget figure may not be achieved as Reserves are used to fund Expenditure and there are fewer funds left invested;

6. Town Hall Commercial Management [Net] – there is an increase in the deficit to £8,255. This is slightly more than in the previous month and the trend towards a substantial YTD deficit in Lettings Income continues.

Looking at the **summary EXPENDITURE rows** with **Variance (Deficit)** values:

7. Holy Trinity Churchyard & Garden of Remembrance – there is a deficit of £2,741 which relates to re-pointing work on the Church pathways, which was budgeted for in the previous year but work was delayed.
8. Allotments [Net] – there is a small deficit of £120 which includes a bad debt write-off for non-payment of allotment fees – these allotments will be re-allocated to new tenants. Fee income for the next 12 months will be invoiced in January 2020. Note – any Deficit will be taken from the Designated Reserve at Year End.

Looking at the **summary INCOME rows** with **significant Variance Surplus** values:

9. Market & Christmas Festival [Net] – the YTD variance of £48,082 is down to timing – the Town Council's share of total Expenditure on the Christmas Festival during December is still to be invoiced by the District Council, as is the District Council's share of the latest quarterly Charter Market fees, which will see this Surplus is reduced.
10. Rents – the YTD variance is again down to timing, in this case as this is received annually / half yearly.

Looking at the **summary EXPENDITURE rows** with **significant Variance Surplus** values:

11. These are again mainly down to timing (though there is also some contingency), as further significant expenditure is expected for Operational & Administrative Expenses, Cemetery [Net] and Initiatives, Projects and Grants Expenditure which will be incurred in the final quarter of the financial year. Civic

Expenditure currently includes a contingency for Event Security which is now unlikely to be required.

As previously reported, especially worth noting is the continued substantial YTD Variance Surplus in Cemetery Income from Purchase & Interment Fees and Memorial Fees of £14,933.

The YTD Variance Surplus for the Tranquility Garden reflects the fact that Income from Purchase & Interment Fees and Memorial Fees is also slightly higher than budgeted, while Expenditure is significantly below the Annual Budget at this point in the financial year.

Also note the significant YTD Variance Surplus for Hatton Rock is down to a recharge of costs to the Shakespeare Birthday Celebrations “pot” for storage of equipment.

12. Page 8 – Shakespeare Birthday Celebrations

The balance “in the pot” is currently reported as £74,406, which is all available to contribute to costs for 2020.

Following the decision by the Town and District Councils to revert to a “back to basics” event in 2020, there should be ample funds to cover the costs of next year’s event.

Please ask for more information if you have any queries.

Deputy Town Clerk  
January, 2020