

Management Accounts Review – End of First Quarter

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 currently just over £1 million (excluding Fixed Assets) – deducting Current Liabilities means the Net Current Assets stand at £943,588.

The ‘Financed by’ section shows the breakdown of the Year To Date Surplus / (Deficit) which is currently £150,292, 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 results from receipt of the first tranche of the Precept covering April to September, which will be used to cover Expenditure until the second tranche is received in October.

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.

Page 2 Summarised Income & Expenditure Account

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

1. INCOME Variance total is showing a small Surplus of £825 i.e. the Town Council has slightly more income than budgeted for during the first quarter of the financial year. Note that some of the ‘income’ over the year is going to come from Reserves (the deficit here indicates that no Reserves were actually required to cover Expenditure to date), so the only figures of concern are:

**STRATFORD-UPON-AVON TOWN COUNCIL
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- i. the Deficit on Interest on Investments of £5,388. This is a timing issue as a significant quarterly dividend will be received in July;
 - ii. the Deficit on Town Hall Commercial Management [Net] of £1,962. However, further investigation shows that, including Deferred Income, the balance for Town Hall Income for 2019/20 is currently just under £19,000 which is nearly half the Annual Budget.
2. EXPENDITURE Variance total is showing a Surplus of £49,382 i.e. significantly less has been spent than budgeted for the first quarter of the year (and allowing for additional virements).

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

3. The Annual Budget shows that Expenditure is expected to exceed Income by £5,143, which will need to be financed from Reserves, as recommended and approved at F&S, GP and TC meetings earlier 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 identified since Budget Approval.
4. YTD Actuals 2019-20 (at 30/06/2019) show Income has exceeded Expenditure by £48,921, resulting in a Surplus i.e. less money has been spent than was budgeted (when also allowing for funding from Reserves). Most of this is down to timing as significant further spending is expected over the rest of the financial year.

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

5. Holy Trinity Churchyard – there is a deficit of £3,180 which relates to some repair work deferred from a previous year and will be covered from Reserves at Year End.

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

6. Market & Christmas Festival [Net] – the YTD variance is down to timing as the first quarterly income has been received by the Town Council but the District Council's share had not been invoiced at this point.

7. Rents – the YTD variance is again down to timing as this is received annually.

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

8. These are generally again down to timing, as much of the Civic Expenditure and Initiatives, Projects and Grants Expenditure will be incurred later in the financial year.

Page 9 Shakespeare Birthday Celebrations

9. The balance “in the pot” is currently reported as £36,213, with all known expenditure for the 2019 event now accounted for.

Grant income of £25,000 each from the Town and District Councils, to contribute to costs for the event in 2020, will appear in next month’s accounts, giving a total of £86,215.

Please ask for more information if you have any queries.

Deputy Town Clerk
22 July, 2019