

Management Accounts Review

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

N.B. the Management Accounts contain final year end adjustments which were determined by Council's accountants and agreed during the preparation of the Financial Statements for 2021-22 in May/June 2022.

Summary

- 1) Before Management Accounts adjustments, the **Net Surplus** for the year to date is **£186,440** (Page 1). This reflects receipt of the first tranche of the Precept in April, which will fund much of the expenditure in the first half of 2022-23.
- 2) **Net Assets** (excluding Fixed Asset Reserve) are reported to have fallen to **£616,186** which is a significant reduction from **£801,512** in the last financial year, reflecting the use of long term investments to fund the deficit in 2021-22.
- 3) **Investments & Bank** have decreased by nearly **£214,000** in total compared to this time last year, due to last year's deficit.
- 4) **Designated Reserves** have decreased by over **£85,000** in total, primarily caused by the reduction of the Building Maintenance Reserve to contribute funding towards the Town Hall planned maintenance works in 2021-22. With further funding required for the Net Deficit, the **General Reserve** also fell by over **£91,000**.
- 5) The YTD deficit relating to **Interest & Dividends on Investments & Bank** is a timing issue around receipt of quarterly dividend income from Council's main long term investment.
- 6) After Management Accounts adjustments, the **Net Surplus** is reported as **£35,413** (Page 7). This reflects the apportionment of the Precept and certain annual Expenditure across the year.
- 7) There has been a large increase in **Net Income from the Market & Christmas Festival**, partly due to timing of invoices for charter market fees which are sent a month in advance and which are subsequently offset by the District Council's 60% share. There has also been a return to the market contract fees, which are

higher than the figures for markets over the last two years which were impacted by coronavirus pandemic restrictions.

- 8) There is a deficit in Gross Income from **Town Hall Commercial Management** compared to budget and also compared to last year, when the loss of income was offset by a COVID-19 Local Restrictions Support grant of £12,000.
- 9) The various YTD deficits in **Operational & Administrative Expenses** are due to timing, and there are no deficits compared to Annual Budget.
- 10) The various YTD deficits in **Civic Expenditure** are also due to timing, with the Civic Dinner and the Platinum Jubilee events having taken place early in the financial year. Again, there are no deficits compared to Annual Budget.
- 11) There is already a surplus in income received from **Cemetery** fees compared to budget, and an increase on fees received at the same point last year. Regarding Expenditure, YTD deficits are again due to timing and there are no deficits compared to Annual Budget.
- 12) **Tranquility Garden** Net Expenditure is negative because income from fees exceeds expenditure to date. Note that the Management Costs for the Tranquility Garden are included under the Cemetery budget and not recharged to this budget section. Fees are below budget so far this year.
- 13) **Hatton Rock** YTD deficit is due to timing. Note that a share of the costs of this facility are recharged to the Shakespeare Birthday Celebrations at year end.
- 14) **Initiatives & Projects** YTD deficits are due to timing. Note that much of the expenditure in this budget section takes place later in the year.

Page 14 Town Centre Strategic Partnership

- 15) Town Centre Strategic Partnership – the balance “in the pot” remains unchanged so far this year.
- 16) Shakespeare Statue Restoration – the balance “in the pot” has risen as further grants and donations have been received. The invoice for the bulk of the expenditure (the conservators

labour and material costs) will be reflected in the Management Accounts for June.

Page 15 Shakespeare Birthday Celebrations

- 17) Shakespeare Birthday Celebrations – the balance “in the pot” has increased due to the funding for 2022-23 from the Town Council and the District Council, although the latter’s contribution is still to be received. Expenditure on the event in April 2022 is believed to have been accounted for and there is a substantial balance left to fund future events.

Please ask for more information if you have any queries.

Responsible Financial Officer
June 2022