

Management Accounts Review – End of Half Year

**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.**

**Summarised Income & Expenditure Account**

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Looking at the first Summary page, **Variance YTD Budget column** (right hand column):

1. INCOME Variance total is showing a Surplus of £18,985 i.e. we have more income than budgeted for during the first half of the financial year. Note that some 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).
2. EXPENDITURE Variance total is showing a Surplus of £38,099 i.e. we have spent significantly less than budgeted for the first quarter of the year (and allowing for additional virements). N.B. this surplus figure is almost the same as it was at the end of the first quarter in June.

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

3. The Annual Budget shows that Expenditure is expected to exceed Income by £15,729, which will need to be financed from Reserves, as recommended and approved at F&S and TC meetings in June 2018 (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 the Cemetery driveways. There is also now an increase in Civic Expenditure on Christmas Activities, to be financed (following agreement by the originator) from Section 106 monies retained for the Shakespeare Birthday Celebrations.
4. YTD Actuals 2018-19 (at 30/06/2018) show Income has exceeded Expenditure by £49,217, resulting in a Surplus i.e.

**STRATFORD-UPON-AVON TOWN COUNCIL  
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less money has been spent than was budgeted (when also allowing for funding from Reserves). Most of this is down to timing.

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

5. Interest on Investments – there is a deficit of £6,437. This is a timing issue as the next quarterly income will be received in October and annual income will be received in November);
6. Town Hall Commercial Management [Net] – there is a deficit of £2,313. This is mainly due to the 3 yearly Marriages & Civil Partnership Licence renewal for £1,900, which was not included in the Budget.

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

7. Cemetery [Net] – there is a deficit of £11,351 which primarily relates to a shortfall in budgeted fees of £8,940 combined with a YTD overspend on Management Charges and Equipment. (Note – there is an additional full time operative in the Open Spaces team. Also, additional contractor charges are expected to fall over the winter months.)
8. Allotments [Net] – there is a deficit of £544 which relates to expenditure which will be covered by Designated Reserves at year end.

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

9. Market & Christmas Festival [Net] – the YTD variance of £38,341 is down to timing as the latest quarterly income has been received by the Town Council but the District Council's share had not been invoiced at this point. Also, expenditure on the Christmas Festival will not be incurred until the next few months.
10. Rents – the YTD variance is again down to timing as this is received quarterly.

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

11. These are again down to timing, as much of the Civic Expenditure and Special Projects and Grants Expenditure will be incurred in the second half of the financial year. The significant surplus variance for Hatton Rock is down to a recharge of costs to the Shakespeare Birthday Celebrations “pot”.
12. Page 8 – Shakespeare Birthday Celebrations

The balance “in the pot” is currently reported as £72,552, which is all available to contribute to costs for 2019.

A detailed analysis of the event in 2018 is included in the Town Clerk’s open report for the Town Council meeting on 24 July, 2018.

Please ask for more information if you have any queries.

Deputy Town Clerk  
11 October, 2018