

Bracknell Town Council

Financial statements for the year ended 31 March 2020

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Council information

Members of the Council during the financial year

P Bidwell	I Mattick
G Birch	R Meakes
M Brunel-Walker	A Merry
P Byron	K Neil
A Finch	T Parker
S Foston	S Prasad
M Gbadebo	D Roberts
M Gibson	M Skinner
L Gibson	M Temperton
J Green	M Titheridge
D Henfrey	M Tullett
P Heydon	D Turner
A Kempster	C Turrell
I Kirke	

Clerk to the Council and Responsible Financial Officer Jackie Burgess

Bracknell Town Council, Brooke House, High Street, Bracknell RG12 1LL

Telephone: 01344 420079

Website: www.bracknelltowncouncil.gov.uk

E-mail: clerk@bracknelltowncouncil.gov.uk

Accounting and audit

Following legislative changes that became effective from 31 March 2011, the Council is no longer subject to a full external audit as its annual income and expenditure is below £6,500,000. Instead, the Council now falls within the limited assurance audit regime.

The Council's statutory accounts are now included in the annual governance and accountability return for external audit purposes and comprise a brief summary of income and expenditure, reserves and bank balances, long-term assets and liabilities. The amounts stated in the statutory accounts represent a summary of the related information presented in more detail within these unaudited financial statements. The annual governance and accountability return, and financial statements were approved at the Council meeting on 23rd June 2020.

The annual governance and accountability return will, in due course, include the external auditors' opinion and will be advertised when received and available.

Bracknell Town Council
Income and Expenditure Account for the year ended 31 March 2020

	<u>Notes</u>	<u>2020</u> £	<u>2019</u> £
INCOME			
Precept on the Borough Council		1,620,578	1,607,025
Interest received		8,955	12,084
Rent and service charges received	2	77,647	78,082
Income from staffed recreation facilities:			
Braybrooke Hall	3	18,147	19,519
Jocks Lane Pavilion	3	81,330	89,838
Great Hollands, pavilion and synthetic pitch	3	43,066	6,163
Birch Hill, pavilion and synthetic pitch	3	23,004	17,237
Grass sports pitches		19,747	14,438
Allotment fees		6,204	6,111
Larges Lane cemetery fees		14,660	8,397
Other income			
Grass cutting services to other local authorities		50,054	57,998
Miscellaneous (including income from events held)		23,492	31,782
Asset sale proceeds	6	2,398	16,436
Loan from Public Works Loan Board for Great Hollands		-	1,000,000
Community Infrastructure Levy and Section 106 payments	6	43,218	69,945
Other grants awarded	6	3,000	-
		2,035,500	3,035,055
EXPENDITURE			
Staff costs			
Administration	4	208,882	188,622
Grounds maintenance and recreation facilities	4	702,810	664,462
Cemetery	4	339	6,699
Administrative expenses		265,614	221,504
Grants and community support	5	179,268	178,928
Cost of staffed recreation facilities, excluding staff costs			
Braybrooke Hall		22,371	18,792
Jocks Lane Pavilion		33,443	51,469
Great Hollands, pavilion and synthetic pitch		46,226	21,594
Birch Hill, pavilion and synthetic pitch		22,879	11,815
Grass sports facilities		12,787	28,332
Allotments		7,421	7,427
Larges Lane cemetery (excluding staff costs)		8,360	2,924
Depot and grounds maintenance (excluding staff costs)		68,153	67,519
Community services		69,335	68,322
Environmental and other services		61,013	36,738
Play equipment maintenance		14,727	11,597
Loan interest and repayments	8	75,276	47,921
Capital expenditure	6	330,130	1,803,761
		2,129,034	3,438,426
NET EXPENDITURE FOR THE YEAR		-93,534	-403,371
Transferred from/to(-) earmarked reserves	9	223,175	542,086
NET MOVEMENT ON GENERAL FUND BALANCE		129,641	138,715
Balance brought forward		862,291	723,576
GENERAL FUND BALANCE CARRIED FORWARD		991,932	862,291

The Notes referred to above form part of these Financial Statements


Bracknell Town Council
Balance Sheet as at 31 March 2020

<u>Notes</u>	<u>2020</u> £	<u>2019</u> £
DEBTORS		
Amounts due in respect of Council services	18,891	19,311
Section 106 contribution receivable	-	50,215
VAT refund due	25,387	85,148
Prepayments and sundry debtors	17,905	27,088
	62,183	181,762
BANK AND CASH BALANCES		
Capital deposit account	132,393	453,279
Current account	124,720	-33,138
32-day account	1,025,000	775,462
TV grants account	1,781	1,180
Cash balances	156	157
	1,284,050	1,196,940
LESS CURRENT LIABILITIES		
Amounts owed for supplies and services	113,070	24,711
Credit card account	-	610
VAT repayable under partial exemption regulations	12,000	38,684
Income in advance	4,350	4,350
	129,420	68,355
NET CURRENT ASSETS	1,216,813	1,310,347
RESERVES AND BALANCES		
Earmarked reserves	9 224,881	448,056
General fund	991,932	862,291
	1,216,813	1,310,347

The Notes referred to above form part of these Financial Statements

These Financial Statements present fairly the financial position of the Council as at 31st March 2020 and reflect its income and expenditure for the year then ended.

These Financial Statements were approved at a Council meeting on 23rd June 2020

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 Councillor Michael Titheridge
 Town Mayor

.....

 Jackie Burgess
 Responsible Financial Officer

Bracknell Town Council

Notes to the financial statements for the year ended 31 March 2020

1. Principal accounting policies

Accounting convention

The financial statements have been prepared in accordance with proper accounting practices as set out in the SLCC Practitioners' Guide for Local Councils, and as such meet the requirements of the Accounts and Audit Regulations 2003 as amended.

Fixed assets

All expenditure on the acquisition, creation or enhancement of fixed assets is reported in the Notes to the Financial Statements, provided that the asset yields benefit to the community and the services that it provides for more than one year, subject to a de minimis of £2,500.

Land and operational properties are stated as professionally valued at building rebuild cost assessment carried out by the insurance Co in 2019 at depreciated replacement cost. Other operational assets, ie plant, machinery, vehicles and play equipment, are stated at cost. Depreciation is not charged on fixed assets in accordance with accounting guidance for local councils subject to limited assurance audit.

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 included in the balance sheet at nominal values.

Capital receipts

Capital receipts arising from the disposal of fixed assets are taken to capital receipts reserve until such time as they are used to finance new capital expenditure.

Debtors and creditors

These financial statements are maintained on an accruals basis in accordance with the Accounts and Audit Regulations. 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.

Stocks and work in progress

All stocks have been treated as consumed because the aggregate value at any time is not material in relation to the Council's financial statements.

Leases

Rentals payable under operating and finance leases are charged to revenue on an accruals basis.

Reserves

The Council maintains certain operational reserves to meet general and specific future expenditure.

Pensions

The pension costs represent the Council's superannuation contributions to the local government pension scheme on behalf of its employees. 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 government regulations.

Bracknell Town Council

Notes to the financial statements for the year ended 31 March 2020 (continued)

2. Rent and service charges received	<u>2020</u>	<u>2019</u>
	£	£
Sublease and informal lettings at Council offices	23,976	22,896
Caretakers' accommodation at community buildings	7,171	6,816
Recreation ground facilities let to sports clubs	17,666	16,897
Land leased for car parking	23,114	25,756
Other rents received	5,720	5,717
	77,647	78,082

3. Income from staffed recreation facilities

Kiosk refreshments and confectionary sales	66,785	52,683
Room hire at the facilities	60,151	42,473
Synthetic pitch hire	23,237	20,792
Tennis	14,925	16,247
Bowls (excluding rent)	449	562
Other leisure income	-	-
	165,547	132,757

4. Pensions

The Council's staff are eligible for membership of the Royal County of Berkshire Pension Fund. The employer's contribution for the year was £138,549 (2019: £122,212), being 19.8% of pensionable earnings. The Scheme is subject to a periodic valuation, the most recent having been for the three years ended 31st March 2019.

5. Grants and support for community organisations	<u>2020</u>	<u>2019</u>
	£	£
Grants under specific powers		
South Hill Park Arts Centre	135,000	135,000
Grants under General Power of Competence (see below)		
TV licence scheme	12,314	14,174
Local community associations towards rents	1,600	1,600
Local organisations supporting the community	30,954	28,154
	179,868	178,928

The Council took up the 'General Power of Competence' in 2019.

6. Capital expenditure and receipts	<u>2019</u>	<u>2019</u>
	£	£
Capital expenditure; items added to fixed assets register		
Plant and equipment for grounds maintenance	29,850	62,839
Play equipment	<u>61,388</u>	-
	91,238	62,839
Other capital expenditure		
Replacement of synthetic pitch carpet at Birch Hill rec. ground	-	168,291
Professional fees and construction costs in connection with replacement pavilion at Great Hollands	238,892	1,572,631
	330,130	1,803,761

Bracknell Town Council

Notes to the financial statements for the year ended 31 March 2020 (continued)

	2020	2019
	£	£
Capital receipts		
Sale of surplus plant and machinery	2,398	16,436
Community Infrastructure Levy	43,218	19,730
Section 106 contribution receivable	-	50,215
Public Works Loan Board (see below)	-	1,000,000
Other capital grants, including Member Initiative Funding	3,000	-
	48,616	1,086,381

7. Fixed assets

	2020	2019
	£	£
Freehold land and buildings; pavilions and staff accommodation		
Jocks Lane pavilion and riverside park	1,118,012	1,118,012
Braybrooke depot, pavilion and recreation ground	526,207	526,207
Great Hollands pavilion and facilities	2,124,725	1,840,049
Birch Hill pavilion	577,498	577,498
Freehold land and buildings; other facilities		
Wildridings changing pavilion and playing fields	50,496	50,496
Ringmead changing pavilion and playing fields	50,496	50,496
Mill Park pavilion and boathouse	120,568	120,568
Larges Lane cemetery chapel and lodge	138,911	138,911
Community land, at nominal value		
Playing fields, parks and recreation grounds (thirteen)	13	13
Woodlands (two)	2	2
Play areas (twenty two)	22	22
	4,706,950	4,422,274
Vehicles, plant and equipment for grounds maintenance	355,999	328,520
Play equipment	740,509	673,603
Bus shelters	14,313	14,313
	5,817,771	5,438,710

The freehold land and buildings and contents are stated at the professional valuation by the District Valuer's Office as at March 2009, plus later additions at cost. Other assets are stated at cost, subject to a de minimis of £2,500.

8. Long-term loans from Public Works Loan Board

The Council took out a loan of £185,000 in May 2012 to finance refurbishment of the public toilets and other facilities at the Jocks Lane Pavilion and Recreation Ground. The loan is repayable by November 2021, repayments being made bi-annually on the annuity basis. The Council took out a further loan of £1,000,000 in June 2018 towards financing the Great Hollands pavilion redevelopment. Repayments are also made bi-annually on the annuity basis over 25 years until June 2043. Movements on these loans over the year were as follows:

Repayable in year	<u>Total</u>	<u>2021</u>	<u>2043</u>
	£	£	£
Balance at 1 April 2019	1,045,227	59,532	985,695
Advanced in the year	-	-	-
Repaid in the year	-48,612	-19,439	-29,173
Balance 31 March 2020	996,615	40,093	956,522

Bracknell Town Council
Notes to the financial statements for the year ended 31 March 2020
(continued)

9. Earmarked reserves	31 March 2019	Transfers to (-) or from General Fund		31 March 2020
	£	£	£	£
Specific projects	12,202	-7,210	-	4,992
Contingencies general purpose	10,040	-	-	10,040
Brooke House	1	-	-	1
Building maintenance	47,577	-	-	47,577
Grounds maintenance	24,500	-	-	24,500
Council elections	13,718	-12,571	-	1,147
Great Hollands Pavilion	137,735	-136,734	-	1,001
Tree works	20,000	-	-	20,000
Jocks Lane splash pad/tennis	1,665	-	-	1,665
Great Hollands paddling pool	25,328	-25,328	-	-
Great Hollands play area	108,185	-74,245	-	33,940
Community Infrastructure Levy	47,105	-10,305	43,218	80,018
	448,056	-266,393	43,218	224,881

10. Contingent liabilities

The Council has no contingent liabilities as at 31 March 2020 (2019: none).

11. Controlled charities

The Council is the corporate trustee for Bracknell Public Recreation Ground, charity registered number 300128. The Charity own part of the land within the boundaries of The Elms Park, Bracknell, the remainder being in the Council's ownership. The Council undertakes maintenance of the entire park under its powers for maintenance of open spaces. The Charity does not have any confirmed sources of income.

Mrs J Burgess
Bracknell Town Council
Brooke House
54 High Street
Bracknell
Berkshire RG12 1LL

10th June 2020

Dear Jackie

Internal audit for the year ended 31st March 2020 – final report

Further to my work carried out in June, I am pleased to report that I have completed my internal audit for 2019-20. My work was carried out remotely due to the restrictions in place as a result of coronavirus. The main focus of this work was the review of the risk management processes, insurance cover and the fixed asset register as well as the review of the final accounting statements and AGAR figures.

I attach a summary of my findings from both visits in appendix 1.

Exercise of public rights

This year the internal audit report within the AGAR includes a new section (L) regarding the exercise of public rights in the summer of 2019. I have reviewed the notice for the exercise of public rights and can see that the exercise took place for the required length of time and it included the first 10 working days of July. However, I have not been able to see evidence of the notice and the AGAR being posted on the website at the correct time. I will therefore have to state that I have been unable to cover this assertion in my work this year. Please be assured that I do not have any concerns regarding this process – I simply haven't seen the evidence that demonstrates the proper compliance.

Signing of the internal audit report

The external auditors have stated that my internal audit report gives important evidence for the Council to consider when completing assertions 2 and 6 on the governance statement. My two audit reports this year should therefore enable the Council to approve the AGAR in the knowledge that the internal audit for the year is complete.

I will wait until the Members have approved the Return, and assuming that the figures on the Return are as agreed during my visit and the responses to the questions in the assurance statement are affirmative I will then sign my section of the Return and my internal audit will be unqualified on all matters with the exception of the exercise of public rights which will be marked as not covered (and section K where I am instructed to mark this as not covered).

Yours sincerely



Claire Connell

Appendix 1: Summary of internal audit work covered in 2019-20

<u>Annual Return Section</u>	<u>Comments</u>
A. Appropriate accounting records have been properly kept throughout the financial year.	Yes: RBS Omega, Bookings and Sigma packages are used, kept up-to-date and are accurate. Edge Allotment and cemeteries packages are also used. There is a suitable level of reporting to Council.
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Testing and review of systems shows that expenditure is properly incurred, payments approved and VAT appropriately accounted for.
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Minutes, Standing Orders, Financial Regulations, insurance cover and the Risk Register indicate that there are proper risk assessment and management procedures.
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Budgeting and reporting are carried out in a thorough and robust manner. Progress against the budget is monitored on a regular basis by the Budget Monitoring Group which reports to the Strategy and Finance Committee five times a year.
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	No significant issues were found during testing and review of systems.
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	No problems found during testing and review of systems. Petty cash expenditure is low due to the availability of a Council credit card.
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	Payroll is operated correctly in-house. A couple of errors were identified in the calculation of pension contributions at the interim audit but these were corrected before the year end.
H. Asset and investments registers were complete and accurate and properly maintained.	The fixed assets register has been moved onto Sigma software and it is properly maintained.
I. Periodic and year-end bank account reconciliations were properly carried out.	Monthly reconciliations are performed. These are reviewed by Councillors at Budget Monitoring Group meetings.
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and	These assertions have been met.

creditors were properly recorded.	
K. IF the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. (<i>“Not Covered” should only be ticked where the authority had a limited assurance review of its 2018/19 AGAR</i>)	Not covered – the Council had a limited assurance review of its 2018/19 AGAR
L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.	Not covered The documentation concerning the exercise of public rights was correctly completed but it has not been possible to demonstrate that the documents were posted on the website at the correct time. I will therefore state that I have not covered this assertion this year.
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	The Council is sole trustee for one charity. The day to day management of the land is delegated to BTC and no separate bank accounts are held. BTC pays for the maintenance of the land as there are no confirmed sources of income. No funds are held on behalf of the charity.

Annual Governance and Accountability Return 2019/20 Part 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
 - are unable to certify themselves as exempt (fee payable); or
 - have requested a limited assurance review (fee payable)

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2019/20

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Part 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:
 - The Annual Internal Audit Report is completed by the authority's internal auditor.
 - Sections 1 and 2 are to be completed and approved by the authority.
 - Section 3 is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published **before 1 July 2020**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2020**. Reminder letters will incur a charge of £40 +VAT:
 - the Annual Governance and Accountability Return Sections 1 and 2, together with
 - a bank reconciliation as at 31 March 2020
 - an explanation of any significant year on year variances in the accounting statements
 - notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2019/20

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on a publicly accessible website:

Before 1 July 2020 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2019/20**, approved and signed, page 4
- **Section 2 - Accounting Statements 2019/20**, approved and signed, page 5

Not later than 30 September 2020 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

*for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.