



WELLINGTON TOWN COUNCIL

INCOME AND EXPENDITURE ACCOUNT 2020 - 2021

SUMMARY OF FUNDS AS AT 31 MARCH 2021

INTRODUCTION

This report relates to the Council's financial accounts for the year ended 31 March 2021 and includes various explanatory notes.

The Council's accounts are prepared under Regulations 7 and 9 of the Audit and Accounts Regulations 2011.

The accounts are published subject to audit by the accountancy firm of PKF Littlejohn LLP, 1 Westferry Circus, Canary Wharf, London E14 4HD. The audit is expected to be completed by the end of August 2021.

These accounts are expected to be approved by resolution of the Town Council at the Full Council meeting to be held on 7 June 2021.

Statements and figures prepared by
Alice Kendall
Deputy RFO

Reviewed and authorised by
David Farrow
Town Clerk and Responsible Financial Officer

Wellington Town Council,
28 Fore Street,
Wellington,
Somerset TA21 8AQ

Notes to the Income and Expenditure Account for the year ended 31 March 2021

The Council's accounts are prepared using the Income and Expenditure format which takes the year-end position then adjustments are recorded annually so that income and costs to include any amounts owed to or by the Council (known as Debtors and Creditors). The final (adjusted) accounting statements therefore reflect the financial situation if all sums payable and receivable for the financial year had actually been processed at year end.

1. Restatement of Previous Years

Following the implementation of a new accounting system, it became apparent that the accounts for 2019-20 and the restatement of the 2018-19 accounts had been done gross of VAT. The Income and Expenditure method should be reported net of VAT as this is reclaimed by the Council. This has resulted in a need to restate the AGAR¹ Figures for 2018-19 and 2019-20 as detailed below;

	Year Ending	
	31 March 2019 £	31 March 2020 £
1. Balances brought forward	333,616	312,869
2. (+) Precept or Rates and Levies	213,633	268,358
3. (+) Total other receipts	22,043	28,759
4. (-) Staff costs	57,040	69,773
5. (-) Loan interest/capital repayments	NIL	NIL
6. (-) All other payments	199,424	184,649
7. (=) Balances carried forward	312,828	355,564
8. Total value of cash and short term investments	328,767	400,120
9. Total fixed assets plus long term investments and assets	46,633	50,000
10. Total borrowings	NIL	NIL

The reconciliation between the originally stated figures and the newly stated figures are detailed in Appendix A.

¹ Annual Governance and Accountability Return

2. Fixed Assets

Date of Acquisition	Description	Location	Cost	Insured Value
01/04/1974	Allotments 3.64 acres. Transferred from Wellington UDC.	Basins	£1	
12/08/1985	Play area 0.62 acres. Donated by Barrett Bristol Ltd.	Tonedale	£1	
01/04/1974 & 06/04/2009	Civic insignia including Mayoral Robes. Transferred from Wellington UDC and donated by Mr D Lentall.	Council Offices, 28 Fore Street	£3,000	£7,299
04/09/2000	Street Light	Rackfield, Westford	£1	£719
04/09/2000	4 town name twinning signs	Town Entrances	£1	£2,137
02/09/2002	Public notice boards	Town Centre, Rockwell Green, Burrough Way	£1	£3,347
02/09/2002	Popham historical sign at playing field	Wellington	£1	£1,399
19/11/2003 and 31/01/2019 March 2020	4 benches 4 new benches	High Street Fore Street Longforth Road Entrance to North Street car park	£500 £2,000	£3,600
18/01/ 2007	MUGA	Tone Play Area	£1	£21,301
30/11/2004	Play equipment	Tone Play Area	£5,000	£15,558
03/04/2006	2 relocatable CCTV cameras and laptop (dismantled and no longer in use)	Office	n/a	n/a
01/04/1974	Filing Cabinet	Office	£30	
01/04/1974	8 tables, 18 chairs	Chamber	£200	
05/11/1990	30 polypropylene chairs	Chamber	£257	
02/02/2010 August 2019	2 x 22" PC and monitor and 1laptop laptop upgrade and new PC	Office Office	£550 £860	£6,707 for all equipment
March 2020	3 laptops 3 mobile phones New PC & Monitor	Office	£1,800 £300 £860	
06/03/2006	2 desks, 2 cabinets & 2 chair	Office	£200	
01/02/2017	Public Convenience,	Longforth Road	£30,000	£75,835
10/03/2011 And June 2018	10 Grit bins	Wellington	£1,750	Cover included in play

				area sum
10/03/2011 Feb 2021	8 Dog bins 1 new dog bin	Wellington	£500 £100	
10/03/2011	Community resilience shed	Wellington School	£1	
05/11/2013	A3 Laminator	Office	£20	
2012/2013	Brush, Rake, Snow shovel	Office	£75	
05/01/2015	Mayoral Chain case and collar	Office	£50	
06/10/2017	2 x Defibrillator and case Manufacturer: CU Medical Model: iPad SP1 Serial Number: G1P06C47	Longforth Road public convenience building and Rockwell Green Christian Fellowship Centre	£5,000	£5,150
Total			£51,440	

3. Section 137 Expenditure

Section 137 of the Local Government Act 1972 (as amended) grants local Councils power to spend up to a maximum of an annual allowance per head of electorate on the register as at 1st April. Known as the 'power of last resort' S137 expenditure is permitted only where no other legal power exists. Proposed expenditure must be balanced against the benefits, which must be solely for parish residents, and agreement to fund costs via S137 must be by formal resolution. Expenditure must be expressly reported. The need to report this expenditure is superseded by the General Power of Competence, which the Council currently holds.

4. Deposit Reserve

This deposit reserve as at 31 March 2021 stands at £256,503.

5. Overall Financial Reserves

The Council has an overall cash balance of £610,430 as at 31 March 2021. This operational reserve was taken into account when setting the 2021-22 budget, and subsequently the precept. Given the level of reserve, a decision was taken to determine that the precept resulted in a 0% change on Council Tax demands. This was calculated using the Band D equivalent from the Tax Base Table provided by Somerset West & Taunton Council.

Bank reconciliation as at 31 March 2021 is reported at Appendix B.

The unrepresented payments are reported at Appendix C.

6. Leases

The Town Council has a rolling lease with Somerset West and Taunton Council to occupy two rooms at 28 Fore Street Wellington at a yearly rent of £1,000. As a tenant, the Town Council is required to pay 10% of the cost of maintaining the common parts. The Town Council sub-lets these two rooms to Wellington Museum and Local History Society at cost value. An annual grant is then applied for by the Museum to offset this overhead. This ensures accountability and transparency in the Council's support for the Museum.

An additional room at the Council offices is now also leased by the Council with an annual rent of £1,260. The lease term is 3 years from 4 December 2019. The two-year lease for the premises at 31 Fore Street, which is the Council's pop up shop, is due to expire in October 2021. Renewal of the lease is being negotiated. The annual rent is £6,000.

7. Income and Expenditure summary

Income

As at 31 March 2021, total income for the year (adjusted for debtors) amounted to £462,175, made up as follows:-

2020-21 Precept received	£352,939	AGAR Box 2
Income generated by Council activities and services	£109,236	AGAR Box 3
TOTAL INCOME	£462,175	

*Annual Governance and Accountability Return

Expenditure

Expenditure for the 2020 - 2021 financial year (adjusted for creditors) totalled £225,866. Staffing costs are split out on the AGAR form, and overall costs were made up as follows:-

Staffing Costs	£99,680	AGAR Box 4
Other operational costs	£126,228	AGAR Box 6
TOTAL EXPENDITURE	£225,908	

8. Adjustments

Although the financial year ended on 31 March 2021, there were some payments due for services or activities within the 2020 - 2021 financial year which were unpaid at the year end. Likewise, there was income generated during the year which was received after the year end. There were also a number of payments received in advance for activities relating to the 2021 – 2022 year. These transactions are detailed in Appendix D as the Reconciliation Between Box 7 and 8 of the AGAR.

9. Petty Cash

Petty cash is used mostly for small day-to-day items and the float is topped up when the need arises. All expenditure is recorded on a petty cash voucher, which when accompanied with the receipt for the purchase, enables a refund to the payee. Petty cash transactions are recorded in the finance system and is balanced when bank reconciliations are carried out (min. once per month). The balance of petty cash held at year end was £8.47. Because the office was closed due to the Coronavirus Pandemic, the use of petty cash had been very low in 2020-21. The need for a petty cash float will be reviewed in the forthcoming year.

10. Risk Assessment and Management 2020 - 2021

A new risk management scheme was introduced in May 2020, and although adoption was delayed until May due to the coronavirus pandemic, its principles were followed throughout the year. The scheme document is re-presented to Council along with this report and year-end financial statements.

11. Explanation of variances

When comparing the previous and current year figures of Boxes 2-6 of the AGAR accounting statements, variances of 15% (+ or -) must be given an explanation. This is the case for the Council's 2020-21 return. See below;

	Year Ending		Variance £	Variance %	Explanation Required?
	31 March 2020 £	31 March 2021 £			
1. Balances brought forward	312,869	355,564			No
2. (+) Precept or Rates and Levies	268,358	352,939	84,581	32	Yes
3. (+) Total other receipts	28,759	109,236	80,477	280	Yes
4. (-) Staff costs	69,773	99,680	29,907	43	Yes
5. (-) Loan interest/capital repayments	0	0	0	0	No
6. (-) All other payments	184,649	126,228	-58,421	32	Yes
7. (=) Balances carried forward	355,564	591,830	236,267	66	No
8. Total value of cash and short term investments	400,120	605,816	205,697	51	No
9. Total fixed assets plus long term investments and assets	50,000	51,440	1,440	3	No
10. Total borrowings	0	0	0	0	

Box 2 Precepts

As in 2019-20, the Council still had limited sources of income but had an ambitious range of but an ambitious range of community services it wishes to provide to support parish success and wellbeing. The most significant additions or increases to proposed expenditure were as follows;

- £20,000 for environmental improvements
- £8,000 increase for Service Level Agreements to local organisations benefiting the community
- £20,000 for professional fees to support capital projects identified (capital costs drawn from earmarked reserves)
- £6,650 increase in the budgeted cost of the Town's annual Christmas event and provision of lights
- £41,654 increase in staffing costs due to additional resources needed to carry out growing Council functions

Box 3 Total Other receipts

The Council received unexpected receipts as follows;

- £18,588 in Community Infrastructure Levy payments from major planning applications.
- £76,500 in grant funding as part of the re-opening high streets scheme which is part of the Government's Coronavirus support.

Box 4 Staff Costs

In 2020/21 the Council hired one new permanent member of staff (Assistant Clerk). This brought the total to four members of part time staff. In the previous year, only the Clerk was enrolled in the Pension scheme. In 2020/21, pension contributions were made for three members of staff. In October 202, the current Clerk resigned from post at which point 154 hours had been accrued and one week of holiday pay also had to be paid. In 2020-21 overall, the Council paid around £3,865 in overtime/extra hours (inclusive of the outgoing Clerk's 154 hours). In addition, the new Clerk's position is paid at 37 hours per week, not 30 hours as previously, due to additional workloads. The existing Deputy Clerk was employed for an additional 3 hours per week to manage the administration of the high street funding referred to above.

Box 6 All other payments

Due to the coronavirus pandemic, the Council's activities have been severely disrupted resulting in an under spend over most of its budget lines. Due to lockdown restrictions, the Council did not meet between March and July 2020 and met virtually via zoom between July 2020 and May 2021 during which time, only essential payments were made. Demand for the Council's grants service was severely diminished due to community groups not meeting during this time (under spend of £9,000). The Council's usual contribution to the local youth service was also affected resulting in a £26,000 underspend. Many other budget items added to the 2020-21 budget as detailed in the explanation of Box 2 did not come to fruition;

- No spend against environmental improvements
- No spend against professional fees as no capital projects were carried out
- £15,000 underspend against Christmas services due to there being no switch on event

**WELLINGTON TOWN COUNCIL
INCOME AND EXPENDITURE ACCOUNT 2020 – 2021
APPENDIX A**

RECONCILIATION FOR RESTATEMENT OF PREVIOUS YEARS FIGURES

YEAR TO 31 MARCH 2019 (2018-19)

Restatement 1

The original 2018-19 figures were restated at the end of the 2019-20 year to take into account the creditor and debtor figures that should have been adjusted (switch from receipts and payments to income and expenditure). A summary is below. The Creditors and Debtors were reported to Council in July 2020 with the 2019-20 year end accounts and audit paperwork.

	31 March 2019 (Original)	31 March 2019 (Restated 1)	Notes to adjustments made
1. Balances brought forward	331,440	331,440	
2. (+) Precept or Rates and Levies	213,633	213,633	
3. (+) Total other receipts	37,827	39,267	£1,440 Debtor
4. (-) Staff costs	55,721	57,040	£1,319 Creditors
5. (-) Loan interest/capital repayments	NIL	NIL	
6. (-) All other payments	198,412	219,236	£20,824 Creditors
7. (=) Balances carried forward	328,767	308,064	Orig. Box 7 + Debtor - Creditor
8. Total value of cash and short term investments	328,767	328,767	
9. Total fixed assets plus long term investments and assets	46,633	46,633	
10. Total borrowings	NIL	NIL	

Restatement 2

When the switch was made to the Income and Expenditure Basis (I&E), VAT should have been taken into account i.e. VAT income and expenditure excluded from Boxes 3 and 6.

When making the switch to I&E, VAT recoverable relating to the previous year must be added to the opening balance.

	31 March 2019 (Restated 1)	31 March 2019 (Restated 2)	Notes to adjustments made
1. Balances brought forward	331,440	333,616	+ £2,176 VAT relating to 2017-18
2. (+) Precept or Rates and Levies	213,633	213,633	
3. (+) Total other receipts	39,267	22,043	Income ex. VAT transactions
4. (-) Staff costs	57,040	57,040	
5. (-) Loan interest/capital repayments	NIL	NIL	
6. (-) All other payments	219,236	199,424	Expenditure ex. VAT
7. (=) Balances carried forward	308,064	312,828	
8. Total value of cash and short term investments	328,767	328,767	
9. Total fixed assets plus long term investments and assets	46,633	46,633	
10. Total borrowings	NIL	NIL	

YEAR TO 31 MARCH 2020 (2019-20)

For the year 2019-20 figures, figures have been restated to include petty cash balances and exclude appropriate VAT figures.

	31 March 2020 (Original)	31 March 2020 (Restated)	Notes to adjustments made
1. Balances brought forward	308,064	312,869	New opening balance from 18-19 restated 2 This should have included £41 of petty cash
2. (+) Precept or Rates and Levies	268,358	268,358	
3. (+) Total other receipts	42,032	28,759	Receipts exclusive of VAT refunds
4. (-) Staff costs	69,773	69,773	
5. (-) Loan interest/capital repayments	NIL	NIL	
6. (-) All other payments	196,989	184,649	Expense exclusive of VAT refunds
7. (=) Balances carried forward	351,692	355,564	
8. Total value of cash and short term investments	400,079	400,120	This figure should have also included a petty cash balance of £41
9. Total fixed assets plus long term investments and assets	50,000	50,000	
10. Total borrowings	NIL	NIL	

Wellington Town Council

Prepared by: _____

Date: _____

Name and Role (Clerk/RFO etc)

Approved by: _____

Date: _____

Name and Role (RFO/Chair of Finance etc)

	Bank Reconciliation at 31/03/2021		
	Cash in Hand 01/04/2020		400,119.84
	ADD Receipts 01/04/2020 - 31/03/2021		483,536.14
			883,655.98
	SUBTRACT Payments 01/04/2020 - 31/03/2021		277,839.56
A	Cash in Hand 31/03/2021 (per Cash Book)		605,816.42
	Cash in hand per Bank Statements		
	Petty Cash 31/03/2021	8.47	
	Lloyds Treasury Deposit 31/03/2021	56,225.14	
	Lloyds Deposit Account 07788306 31/03/2021	256,503.25	
	Lloyds Current Account 2195145 31/03/2021	297,701.74	
			610,438.60
	Less unrepresented payments		4,622.18
			605,816.42
	Plus unrepresented receipts		0.00
B	Adjusted Bank Balance		605,816.42
	A = B Checks out OK		

Wellington Town Council
Uncashed payments/transfers out (All banks)
(Upto 31/03/2021)

Voucher	Date	Cheque No.	Description	Total	Bank
334	08/03/2021	BACS	Data Protection Registration	35.00	Lloyds Current Account 2
342	26/06/2020	005482	Councillors Allowance	224.00	Lloyds Current Account 2
346	16/03/2021	BACS	New Dog Bin (Longforth)	451.14	Lloyds Current Account 2
347	16/03/2021	BACS	Emptying Dog Bins	32.40	Lloyds Current Account 2
348	17/03/2021	005517	Deductions - March	1,742.41	Lloyds Current Account 2
349	17/03/2021	005518	Superann - March	1,725.60	Lloyds Current Account 2
351	17/03/2021	BACS	Photocopying & Printing	32.46	Lloyds Current Account 2
352	17/03/2021	BACS	Photocopier Rental	132.73	Lloyds Current Account 2
353	17/03/2021	BACS	Stationery/Stamps	246.44	Lloyds Current Account 2
Total-----				4,622.18	

Wellington Town Council
Reconciliation between Box 7 and Box 8

31/03/2021

This report explains the difference between the total balance in Box 7 and the cash balance in Box 8 by showing the totals for each type of adjustment, the details of which can be listed using the Adjustments report. It deducts the additional assets which have been included on the balance sheet and adds back in the liabilities to arrive at the balance for actual cash and short term investments. This only applies to Annual Returns prepared on Income and Expenditure basis

	<i>Amount</i>	<i>Amount</i>
Box 7 - Balances carried forward		591,830.48
Debtors	225.00	
Payments in Advance	0.00	
Stocks and Stores	0.00	
VAT Recoverable	2,057.94	
TOTAL DEDUCTIONS		2,282.94
Creditors	15,568.88	
Receipts in Advance	700.00	
Doubtful Debts	0.00	
TOTAL ADDITIONS		16,268.88
Box 8 - Total cash and short term investments		605,816.42

Wellington Town Council
ADJUSTMENTS FOR THE YEAR ENDING 31/03/2021

Outstanding bills received but NOT paid. (Creditors) - Increase Expenditure

Contribution to One Team to 31 March	Somerset West & Taunton
Chairman Training Held in March	SALC
How to find Cllrs Training Held in Marc	SALC
Invoice received after year end	Chess
Inv after yr end. Split between yrs	EDF Energy
Invoice received after year end	EDF Energy
Inv after yr end. Split between yrs	ID Verde
20/21 Final Payment of agreement	Taunton CAB

Code

Wellington One	11,000.00
Members Training	120.00
Members Training	30.00
Telephone/Computer/Website	97.61
Electricity	66.08
Electricity	329.09
Longforth Road Toilets	926.10
Service Level Agreements	3,000.00
	£15,568.88

Outstanding payments DUE TO the Council. (Debtors) - Increase Income

Promotional Space Feb & March	Jonas Fishmonger
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Code

Rents - Various	225.00
	£225.00

Received in Advance - Decrease Income

Deposit for Sep 2021 booking	Bowel Cancer South West
Deposit for May 2021 booking	Caroline Bartlett
Pop Up Shop Booking May 2021	Alice Burns

Code

Film Festival & Pop Up Shop	100.00
Film Festival & Pop Up Shop	100.00
Film Festival & Pop Up Shop	500.00
	£700.00