



MELTON PARISH COUNCIL

MPC(24)51.01

Management Accounts – Financial Report for Year Ended 31st March 2024

This report should be read in conjunction with the following papers:

- Payment Transactions - 01/04/2023 to 31/03/2024
- Receipt Transactions - 01/04/2023 to 31/03//2024
- Bank Reconciliation Report
- EMR Summary Report
- Precept/General Reserve Summary Report
- Reserves Balance
- Balance Sheet
- Adjustments

These financial reports give a clear picture of the final position at the end of the year 2023/24.

Adjustments

For the final year end position the following accrual, creditors and prepayments have been recorded in the finance system:

Accrual - £980 audit fees

Creditors - £638.90 (payroll and greenspace management)

Prepayment of £298.16 was made in 2023/24 for estate charges April-June 2024.

Overview

Income was £192,104.10, which includes the Precept (£117,261), CIL receipts (£8,090.96), Office Rent (£17,004), Pavilion income (£10,292.87) and donations/grants (£25,649.47). Expenditure was £179,011.91 and of this £ 37,939.63 has been paid out of Earmarked Reserves. The two summary reports (d and e) give a detailed breakdown of the receipts and payments against the agreed budget.

In terms of cash resources as at 31st March 2024, cash in the Council's bank accounts totalled £254,950.18 made up as follows:

• Lloyds Instant Savings Account	£ 142,307.63
• Suffolk Building Society Deposit Account	£ 79,728.68
• Suffolk Building Society Rent Deposit Account	£ 5,271.32
• Lloyds Bank Treasurer's Account	£ 2,535.10
• CCLA	£ 25,107.45

After adding prepayments (298.16) and deducting VAT owed (£463.27) and creditors (£1,618.90) the total liquid assets amounted to £253,166.17. Of that sum, £166,960.09 relates to the balance of deposits, CIL and grant monies held as Earmarked Reserves:

CIL reserves	£95,846.65
Melton Rd crossings project CIL EMR	£7,755*
Landscaping & parking improvements CIL EMR	£3,717.03

Pavilion project CIL EMR	£210.54
Bins CIL EMR	£1,037.09
Divested land sinking fund CIL EMR	£13,800.17
Signage CIL EMR	£1,130
Hall Farm Road/SWT Events EMR	£565
Fete EMR	£1,805.03
Budget Risk EMR	£10,000
Bequest EMR	£517.04
Pavilion Kit Out EMR	£5.30
1 st Floor Rent Deposit EMR	£5,271.32
20s Plenty EMR	£20
Dock Lane Planter EMR	£4.35
Pump Track EMR	£550
Yarmouth Road Signage	£226.57
Beresford Drive Play Area EMR	£20,499
Tree Safety Works	£4,000

* This EMR technically has an additional £16k due to the year-end accrual made in 2022/23 for the Melton Road crossings. A transfer from the General Fund to the Road Crossing EMR is required before closing the accounts for 2023/24 to resolve this.

General Reserve

Once the £16k has been transferred into the Melton Road Crossings EMR the final General Reserve will be £70,206.08. The General Reserve position at year end 22/23 was £57,391.43, before £5k had been transferred into a Budget Risk EMR. At the FERM meeting in April 2022 it was agreed that similar transfers should be made in forthcoming years if the end position was favourable enough.

General Reserves cushion the impact of uneven cash flows, offset budget requirements, if necessary, or can be held in case of unexpected events or emergencies. The JPAG Practitioners' Guide recommends that a smaller authority's general reserve should be maintained at between three and twelve months of Net Revenue Expenditure (NRE). NRE = Precept less Loan Repayment. The smaller the authority, the closer the figure may be to 12 months, the larger the authority, the nearer to 3 months. Our NRE for 2023/24 is £97k so our reserves should be between £73k (9 months) and £24.5k (3 months). Transferring £5k to the Budget Risk EMR would result in a final reserve position of £ 65,206.08 which equates to just over 8 months and therefore still acceptable. Councillors may wish to consider transferring a further £5k into the Tree Safety Works EMR as it is envisaged there could be some significant costs associated with the trees in the coming years.

Recommendations

Councillors are asked to:

- **NOTE AND COMMENT** on this report.
- Agree to transfer £16k back into the Melton Road Crossing EMR.
- Decide if they wish to transfer £5k into the Budget Risk EMR.
- Decide if they wish to transfer a further £5k into the Tree Safety Works EMR.

Pip Alder

Clerk, Melton Parish Council

April 2024