

MAIDSTONE BOROUGH COUNCIL

COBTREE MANOR ESTATE COMMITTEE

14TH JANUARY 2015

REPORT OF THE HEAD OF FINANCE & RESOURCES

Report prepared by: Paul Holland (Senior Accountant)

1 ACCOUNTS 2013/14

1.1 Issue for Decision

1.1.1 To consider the audited Report and Financial Statements for the financial year 2013/14.

1.2 Recommendation of the Head of Finance & Resources

1.2.1 That the Committee approves the Report and Financial Statements, and the Letter of Representation for the financial year 2013/14.

1.3 Reasons for Recommendation

1.3.1 In July 2014 the Committee received the un-audited Report and Financial Statements for the financial year 2013/14.

1.3.2 Attached at **APPENDIX A** are the audited 2013/14 Report and Financial Statements from the external auditors, along with the Management Letter, details of unadjusted misstatements, the Letter of Comment and the Letter of Representation.

1.3.3 The accounts are required to be formally approved and signed before they are submitted to the Charity Commission, which must be done by 31st January 2015.

1.4 Accounts 2013/14

1.4.1 Following their examination of the Report and Financial Statements King & Taylor, the external auditors, recommended a small number of changes, which have now been incorporated into the audited version. The most significant change was in relation to the Will Trust income received from Cobtree Charity Trust Ltd, where the actual amount received was £5,610 less than the estimated figure in the draft accounts. In addition there were other adjustments to the accounts totalling £9,868.

1.4.2 The draft accounts showed a sum due from Maidstone Borough Council to the Trust of £10,146, this being the provisional operational surplus for 2013/14. The impact of these adjustments

means that for the 2013/14 there is now a small operational deficit of £5,332, which is owed by the Trust to the Council. This is a sum that will have no impact upon the operational activities of the Trust as there are resources set-aside which can be used to make this payment.

- 1.4.3 Also attached at **Appendix A** is the Letter of Representation, the Letter of Comment, details of unadjusted misstatements and the Management Letter.
- 1.4.4 The Letter of Representation asks Trustees to confirm a number of statements relating to the audit and the information supplied to the auditors during the course of their audit.
- 1.4.5 The Letter of Comment draws the attention of Trustees to matters that arose during the course of the audit.
- 1.4.6 The Management Letter draws attention to points of interest that the auditors have identified. Only one point has been raised and the comment on this is as follows:
 - At present there is no obligation for the accounts to be formally audited by a registered auditor, but Trustees have chosen to have a formal audit. Based on the current thresholds Trustees could still elect to have an independent examination rather than a formal audit, but this point notes that this option may not be available in the future if the statutory thresholds are exceeded.

1.5 Alternative Actions and Why Not Recommended

- 1.5.1 There are no alternative actions. The accounts and the Letter of Representation are required to be approved by Trustees and signed by the Chairman prior to their submission to the Charity Commission.

1.6 Impact on the Charity's Objectives

- 1.6.1 Any net surpluses on the activities of the Golf Course and Manor Park are to be used to further the long term aims and objectives of the Trust, particularly the agreed Master Plan for the development of the Manor Park.

1.7 Risk Management

- 1.7.1 The timely submission of audited accounts to the Charity Commission demonstrates good financial management on the part of the Trust.

1.8 Other Implications

Financial	<input checked="" type="checkbox"/>
Staffing	<input type="checkbox"/>
Legal	<input type="checkbox"/>
Social Inclusion	<input type="checkbox"/>
Environmental/Sustainable Development	<input type="checkbox"/>
Community Safety	<input type="checkbox"/>
Human Rights Act	<input type="checkbox"/>
Procurement	<input type="checkbox"/>
Asset Management	<input type="checkbox"/>

1.9 Financial Implications

1.9.1 Financial Implications are detailed in the report above.

NO REPORT WILL BE ACCEPTED WITHOUT THIS BOX BEING COMPLETED

Is this a Key Decision? Yes No

If yes, when did it appear in the Forward Plan?

Is this an Urgent Key Decision? Yes No

Reason for Urgency

Not applicable