

**MAIDSTONE BOROUGH COUNCIL**

**COBTREE MANOR ESTATE COMMITTEE**

**8 JUNE 2011**

**REPORT OF THE HEAD OF FINANCE & CUSTOMER SERVICES**

<b>Report prepared by: Paul Holland (Senior Accountant)</b>
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**1 ACCOUNTS 2010/11**

1.1 Issue for Decision

1.1.1 To consider the un-audited Report and Financial Statement for the financial year 2010/11.

1.2 Recommendation of the Head of Finance & Customer Services

1.2.1 That the Committee notes the draft Report and Financial Statement for the financial year 2010/11.

1.3 Reasons for Recommendation

1.3.1 Attached at **APPENDIX A** are the draft Report and Financial Statements for the financial year 2010/11.

1.3.2 The draft Report and Financial Statements have been produced in accordance with Charity Accounting Statement of Recommended Practice.

1.3.3 Members have previously agreed to appoint King & Taylor as external auditors for 2010/11.

1.4 Financial Statements 2010/11

1.4.1 The loan repayment for 2010/11 was £10,460. This represents full and final settlement of the long term loan that was due to the Council.

1.4.2 The net deficit on the operation of the Golf Course and the Manor Park was £36,352. The operations would normally be expected to generate a surplus, but this year there was the additional expense of the repairs to Garden Cottage. However, with Charifund investment income and bank interest added totalling £66,000 this created an overall net surplus of £29,648 for the year for the Trust. With the loan balance of £10,460 now being settled this leaves a balance of £19,188 which is now due to the Trust from the Council as there is no longer any debt. This is shown as a debtor to the Trust on the Balance Sheet. These figures are provisional as the accounts are still subject to external audit.

1.4.3 As the Trust is now debt free it will now keep any net surplus it generates. The arrangements for dealing with the payment of this surplus will be the

subject of a separate report to the next meeting of the Trust.

1.4.4 There were no asset disposals during 2010/11, and none of the assets held were subject to revaluation.

1.4.5 It should be noted that the market value of the Charifund investment has risen during 2010/11, to £1,352,395 at 31<sup>st</sup> March 2011, compared to a value of £1,288,356 at 31<sup>st</sup> March 2009. The purchase value of the investments held is £1,290,000, so if the economic situation continues to improve it could be anticipated that the market value will continue to rise.

## 1.5 Alternative Actions and Why Not Recommended

1.5.1 None

## 1.6 Impact on the Charity's Objectives

1.6.1 The repayment of the loan will enable the Trust to move forward with their proposals to improve facilities on the Cobtree Manor Estate.

## 1.7 Risk Management

1.7.1 The reporting of the final position for 2010/11 assists in the ongoing financial management of the Trust.

## 1.8 Other Implications

Financial

Staffing

Legal

Social Inclusion

Environmental/Sustainable Development

Community Safety

Human Rights Act

Procurement

Asset Management

X

## 1.9 Financial Implications

1.9.1 The Accounts are a factual statement of the financial affairs of the Trust for 2010/11.

### Background Documents

*Accountancy reports on financial transactions for 2010/11*

**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