

MAIDSTONE BOROUGH COUNCIL

COBTREE MANOR ESTATE COMMITTEE

3RD OCTOBER 2014

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 un-audited Report and Financial Statement for the financial year 2013/14.

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 2013/14.

1.3 Reasons for Recommendation

1.3.1 Attached at **APPENDIX A** are the draft Report and Financial Statements for the financial year 2013/14.

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

1.3.3 Members have previously agreed to appoint King & Taylor as external auditors for 2013/14.

1.4 Financial Statements 2013/14

1.4.1 There was a net increase in the funds of the Trust of £167,458. However this figure includes the capital expenditure and funding of the Manor Park Master Plan and investment income. Excluding these items the operation of the golf course and the park made a net surplus of £10,146, compared to a net surplus of £53,538 in 2012/13. The reason for the decrease in the level of the surplus is the increase in running costs at the park. Usage of the park has increased dramatically since the new play area was opened (as can be seen in the report section of **Appendix A**), and this has led to increases in staffing and maintenance costs. It should be noted that these figures are provisional as the accounts are still subject to external audit.

1.4.2 The capital expenditure has been funded by withdrawals totalling £506,000 from the investment of the permanent endowment in Charifund, as agreed by the Charity Commission. Previously accumulated operational surpluses of £150,000 have also been utilised to fund the project, and a

donation of £300,000 from Cobtree Charity Trust Ltd towards the cost of the visitor centre and café has also been secured. This will reduce the level of funding needed from the permanent endowment.

- 1.4.3 In November 2013 following a series of legal agreements the Trust assumed responsibility for the Kent Life attraction. Whilst the management of the attraction is being undertaken by Continuum Ltd the assets are now shown on the Balance Sheet of the Trust. They were valued by Harrison's Chartered Surveyors, along with the remainder of the Trust's fixed assets. The Kent Life assets were valued at £725,000, and the remainder of the assets increased in value by £353,163.
- 1.4.4 As previously mentioned a number of withdrawals have been made from the permanent endowment fund held with Charifund. The market value of these at 31st March 2014 was £1,163,867, compared to £1,526,936 as 31st March 2013. This is a decrease in value of £363,069, but total withdrawals were £506,000, so the underlying position is that the investments have increased in value over the course of the year.
- 1.4.5 The audit of the accounts is currently in progress, and if any significant issues have arisen by the time this report is presented they will be verbally reported at the meeting.
- 1.4.6 Once the audit is completed the Report and Annual Accounts will be presented to the Committee for formal approval in time to meet the statutory deadline for submission to the Charity Commission of 31st January 2015.

1.5 Alternative Actions and Why Not Recommended

1.5.1 None

1.6 Impact on the Charity's Objectives

1.6.1 The net surplus from the operations of the Golf Course and Manor Park 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 2013/14 assists in the on-going financial management of the Trust.

1.8 Other Implications

Financial
Staffing
Legal
Social Inclusion
Environmental/Sustainable Development
Community Safety

X

Human Rights Act
Procurement
Asset Management

1.9 Financial Implications

1.9.1 The Accounts are a factual statement of the financial affairs of the Trust for 2013/14.

<u>NO REPORT WILL BE ACCEPTED WITHOUT THIS BOX BEING COMPLETED</u>			
Is this a Key Decision?	Yes	<input type="checkbox"/>	No <input checked="" type="checkbox"/>
If yes, when did it appear in the Forward Plan? _____			
Is this an Urgent Key Decision?	Yes	<input type="checkbox"/>	No <input checked="" type="checkbox"/>
<u>Reason for Urgency</u>			
Not applicable			