

Cobtree Manor Estate Charity Committee

23rd September
2015

Is the final decision on the recommendations in this report to be made at this meeting?	Yes/No
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Accounts 2014/15

Final Decision-Maker	Cobtree Manor Estate Charity Committee
Lead Head of Service	Head of Commercial & Economic Development
Lead Officer and Report Author	Paul Holland, Senior Accountant (Client)
Classification	Non-exempt
Wards affected	All

This report makes the following recommendations to the final decision-maker:

1. That the Committee notes the draft Annual Report and Financial Statement for the financial year 2014/15.

This report relates to the following corporate priorities:

- Keeping Maidstone an attractive place for all
 - Ensuring that there are good leisure and cultural attractions.

Timetable

Meeting	Date
Cobtree Manor Estate Charity Committee	23 rd September 2015

Accounts 2014/15

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 It is a requirement of the Charity Accounting Statement of Recommended Practice to produce an Annual Report and Financial Statements. These are shown at **Appendix A**.
 - 1.2 These will be subject to an external audit and the final audited version will be brought back to the Committee for formal approval once this process is complete. Therefore this report is for noting only at this stage.
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2. INTRODUCTION AND BACKGROUND

- 2.1 There was a net increase in the funds of the Trust of £286,133. However this includes the impact of the capital expenditure, the funding of the Manor Park Master Plan and investment income. Excluding these items the operation of the golf course, the park and the Kent Life attraction showed a net deficit of £42,850, compared to a net surplus of £10,146 in 2013/14. This deficit is consistent with the financial position reports submitted during 2014/15, and is a reflection of the increased running costs of the park as well as a reduction in the income from the golf course. Visitor numbers at the park continue to be high which has led to increases in staffing and maintenance costs. It should be noted that these figures are provisional and are still subject to external audit.
- 2.2 There has been a significant increase in cash held to £723,967. However over half of this (£392,890) represents funding for Master Plan expenditure that was due to the Council at 31st March 2015, and this money was paid to them in April 2015. The remainder of the sum will be utilised for funding the Master Plan expenditure in 2015/16 as well as covering the operational deficit for 2014/15 as detailed at 2.1 above.
- 2.3 This will leave approximately £140,000 which is being held as a contingency to cover the increased staffing and maintenance costs and the reduction in golf club income until the income streams that are anticipated from the Visitor Centre and car parking charges begin to be fully realised.
- 2.4 The capital expenditure has been funded by a combination of withdrawals from the investment of the permanent endowment in Charifund (as agreed by the Charity Commission), previously accumulated operational surpluses and the donation of £300,000 from Cobtree Charity Trust Ltd. The use of the surpluses and the funding from Cobtree Charity Trust Ltd will reduce the level of funding needed from the permanent endowment.
- 2.5 There were no withdrawals from the permanent endowment in 2014/15, and the market value of the investments held in Charifund rose by £49,006.

- 2.6 The external audit of the accounts was previously undertaken by King & Taylor. However they have made the decision to discontinue providing any audit services and have appointed UHY Hacker Young to provide audit services for this year. They are a local company based in Sittingbourne who have experience of auditing the accounts of charities, and they have indicated that their fee will be similar to that charged by King & Taylor.
- 2.7 The Committee had previously agreed to appoint King & Taylor to provide audit services for 2013/14 and 2014/15. A report on the appointment of auditors from 2015/16 onwards will be brought to a future meeting of the Committee.
- 2.8 The audit of the 2014/15 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.
- 2.9 Once the audit is completed the Annual Report and Financial Statements 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 2016.
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3. AVAILABLE OPTIONS

- 3.1 There are no other available options as there is a legal requirement to produce an Annual Report and Financial Statements.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 That the Committee notes the contents of the Annual Report and Financial Statements.
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5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 Not applicable.
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6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The Annual Report and Financial Statements will be externally audited and brought back to the Committee for their formal approval.
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7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	No specific issues arise.	[Head of Service or Manager]
Risk Management	No specific issues arise.	[Head of Service or Manager]
Financial	The Financial Statements are a factual statement of the affairs of the Trust for 2014/15. The financial implications are dealt with fully in the body of the report.	Head of Finance & Resources
Staffing	No specific issues arise.	[Head of Service]
Legal	No specific issues arise.	[Legal Team]
Equality Impact Needs Assessment	No specific issues arise.	[Policy & Information Manager]
Environmental/Sustainable Development	No specific issues arise.	[Head of Service or Manager]
Community Safety	No specific issues arise.	[Head of Service or Manager]
Human Rights Act	No specific issues arise.	[Head of Service or Manager]
Procurement	No specific issues arise.	[Head of Service & Section 151 Officer]
Asset Management	No specific issues arise.	[Head of Service & Manager]

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix A: Annual Report and Financial Statements 2014/15

9. BACKGROUND PAPERS

None.