

MAIDSTONE BOROUGH COUNCIL
COBTREE MANOR ESTATE COMMITTEE

26 February 2010

REPORT OF THE HEAD OF FINANCE

Report prepared by: Paul Holland (Senior Accountant)

1 ACCOUNTS 2008/09

1.1 Issue for Decision

1.1.1 To consider the audited Report and Financial Statements for the financial year 2008/09.

1.2 Recommendation of the Head of Finance

1.2.1 That the Committee approves the Report and Financial Statement for the financial year 2008/09.

1.3 Reasons for Recommendation

1.3.1 In July 2009 the Committee received the un-audited Report and Financial Statements for the financial year 2008/09.

1.3.2 Attached at **APPENDIX A** are the audited 2008/09 Report and Financial Statements from the external auditors, along with the Matters Arising letter and the Letter of Representation.

1.3.3 Following their examination of the Report and Financial Statements the external auditors recommended a small number of changes, which have now been incorporated into the audited version.

1.3.4 The majority of the changes were of a minor or technical nature, and have had a small impact on the amount of the loan outstanding at 31st March 2009, which has now increased by £1,500 from £149,900 in the draft accounts up to £151,400. The main reason for the increase is that there was a miscalculation in the apportionment of capital costs between the Council and the Trust. This was partially offset by an increase in the amount of interest due to the Trust from the Council.

1.3.5 The external auditors did request that an impairment review was carried out to confirm that the values of the Trust's fixed assets had not been adversely affected by the recent economic conditions. The review by the Council's Corporate Property Manager subsequently identified that the value of the assets had actually increased by £173,811, and this has been reflected in the audited Balance Sheet,

and the Statement of Financial Activities. This change has no impact on the resources of the Trust.

1.3.6 There was one further adjustment in respect of the disposal of the Gate House. This had not been included in the Trust's fixed assets on the Balance Sheet prior to the disposal, and the auditors have amended the way the disposal was accounted for in the Financial Statements. This change has no impact on the resources of the Trust.

1.4 Alternative Actions and Why Not Recommended

1.4.1 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.

1.5 Impact on the Charity's Objectives

1.5.1 The net surplus on the activities of the Golf Course and Rural Park is utilised to repay the Long-Term loan to the Council.

1.6 Risk Management

1.6.1 As a registered charity the Trust is required to submit audited accounts to the Charity Commission.

1.7 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"/>

1.8 Financial Implications

1.9 Financial Implications are detailed in the report above.