

**COBTREE MANOR ESTATE
TRUST COMMITTEE**

26th January 2017

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Accounts 2015/16

Final Decision-Maker	Cobtree Manor Estate Trust Committee
Lead Head of Service	Director of Finance & Business Improvement
Lead Officer and Report Author	Paul Holland, Senior Finance Manager – Client Accountancy
Classification	Public
Wards affected	Boxley

This report makes the following recommendations to this Committee:

1. It is recommended that the Committee approves the Annual Report and Financial Statements for the financial year 2015/16.

This report relates to the following corporate priorities:

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

Timetable

Meeting	Date
Cobtree Manor Estate Trust Committee	26 th January 2017

Accounts 2015/16

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 The accounts are required to be formally approved and signed before they are submitted to the Charity Commission, which must be done before 31st January 2017.
-

2. INTRODUCTION AND BACKGROUND

- 2.1 The audit of the Report and Financial Statements is now complete. The audit was undertaken by UHY Hacker Young, appointed external auditors to the Trust. Issues arising from the audit are dealt with in the next section of this report.
-

3. ACCOUNTS 2015/16

- 3.1 The Annual Report and Financial Statements are shown at **Appendix A**. The auditors have indicated that they intend to issue an unmodified audit opinion.
- 3.2 There are no major issues that have arisen regarding the accounts following the audit. A number of minor amendments were made to the draft accounts that were submitted for audit, and there are also a small number of unadjusted misstatements. None of these have had any impact upon the financial resources available to the Trust.
- 3.3 The new café/visitor centre was revalued following its completion. Whilst construction costs were £0.40m the valuation was £0.25m. The reason for the reduction in value is that it was based on an appropriate rent that an occupier would pay to run a café in that particular location.
- 3.4 It should also be noted that there is a new going concern accounting policy included this year. This reflects the sum of £0.58m due to Maidstone Borough Council as shown in note 14, and the fact that the estate operated at a deficit in 2015/16 which has reduced available sums in the bank account. The report on the current financial position elsewhere on this agenda deals with this issue in more detail, and there is also a financial review section in the annual report that provides some background information.
- 3.5 There are a number of other points that should be noted within the Financial Statements:

- The total funds of the Trust as shown on the Statement of Financial Activities and the Balance Sheet have reduced from £4.97m to £4.48m. This is mainly due to the use of funds held for the construction of the Visitor Centre/Café and for repairs to buildings at the Kent Life attraction.
 - The accounts have been prepared on a slightly different basis this year, as explained in the Accounting Policies note 1. In practice this is not a significant change and the accounts are broadly similar to those submitted in previous years.
 - Note 2 (Income from Donations and Legacies) shows the use of funds referred to above.
 - Note 3 (Income from charitable activities) shows a significant increase in income arising from the opening of the Visitor Centre/Café and the introduction of car parking charges. However as can be noted from Note 6 (Expenditure on charitable activities) there has also been a significant rise in costs, particularly staffing costs, as detailed further in Note 8.
 - There is a new Note 9 for Intangible Fixed Assets, which reflects the purchase of the domain name for the Kent Life attraction website.
-

4. AVAILABLE OPTIONS

- 4.1 There are no other available options as there is a legal requirement to produce and approve the Annual Report and Financial Statements.
-

5. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 5.1 That the Committee approves the Report and Financial Statements in order that they can then be submitted to the Charity Commission by 31st January 2017.
-

6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 6.1 Not applicable.
-

7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 7.1 The Report and Financial Statements will be submitted to the Charity Commission for publication on their website.
-

8. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	None	
Risk Management	A number of risks have been identified which are outlined in the report.	Section 151 Officer & Finance Team
Financial	The financial implications are outlined in the report.	Section 151 Officer & Finance Team
Staffing	None	
Legal	Legal implications are outlined in the report.	Interim Deputy Head of Legal Partnership
Equality Impact Needs Assessment	None	
Environmental/Sustainable Development	None	
Community Safety	None	
Human Rights Act	None	
Procurement	None	
Asset Management	None	

9. REPORT APPENDICES

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

- Appendix A: Report and Financial Statements 2015/16
-

10. BACKGROUND PAPERS

None.