

**COBTREE MANOR ESTATE
TRUST COMMITTEE**

25th January 2018

Accounts 2016/17

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

Executive Summary

The audit of the Trust accounts for 2016/17 has now been completed and an unmodified audit opinion will be issued. This report summarises the main points from the accounts and seeks approval of them so they may be submitted to the Charity Commission.

This report makes the following recommendations to this Committee:

1. That the Report and Financial Statement for 2016/17 are approved and submitted to the Charity Commission.

Timetable

Meeting	Date
Cobtree Manor Estate Trust Committee	25 th January 2018

Accounts 2016/17

1. INTRODUCTION AND BACKGROUND

1.1 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.

2. ACCOUNTS 2016/17

2.1 The Annual Report and Financial Statements are shown at **Appendix 1**. This includes the independent auditor's report, which includes their opinion on the Statement.

2.2 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, both of which are shown on the final two pages of the Audit Management Letter, which is reported elsewhere on this agenda. None of these have had any impact upon the financial resources available to the Trust.

2.3 There are a number of points that should be noted within the Financial Statements:

- The total funds of the Trust as shown on the Statement of Financial Activities (SOFA) and Balance Sheet have reduced from £4.48m to £4.30m. This reflects a number of movements, the most significant of which were a downward revaluation of the value of the golf course of £0.194m.
- At the time the valuation of the golf course was undertaken no decision had been made about the new contract for the operation of the course, so in the view of the valuers there was some uncertainty around the future of the course and therefore they felt the valuation should be reduced. In their report they did state that should a long-term contract be put in place then this could result in an increase in the valuation, and this would be shown in the 2017/18 accounts.
- The SOFA also shows a deficit of £65,311 on the activities of the Trust for the year. This reflects factors that have been previously reported the Committee, the most significant ones of which are the deficit on the operation of the café and the reduction in income from the golf course contract following the short-term extension to the contract.
- On the Balance Sheet the reduction in the level of investments includes a withdrawal of £335,000 from Charifund to fund the recent capital works in the Manor Park. This funding was paid to the Council during the

year which also explains the reduction in the year-end Creditors balance.

3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 That the Committee approves the Report and Financial Statements in order that they can then be submitted to the Charity Commission by 31st January 2018.
- 3.2 There are no other available options as there is a legal requirement to produce and approve the Report and Financial Statements.
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4. RISK

- 4.1 The two main risks associated with this report are financial and reputational.
- 4.2 The year-end accounts reflect information reported to the Trust during the course of the year on the financial performance of the estate activities. This enables the committee to make informed decisions on various issues presented to them.
- 4.3 The reputational risk is that the accounts are not filed with the Charity Commission by the deadline of 31st January 2018. This report will enable that to happen.
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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 Report and Financial Statements will be submitted to the Charity Commission for publication on their website.
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7. 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	Paul Holland – Senior

	the report.	Finance Manager (Client)
Financial	The financial implications are outlined in the report.	Paul Holland – Senior Finance Manager (Client)
Staffing	None	
Legal	<ul style="list-style-type: none"> Accepting the recommendations will fulfil the Council’s duties under [act]. Failure to accept the recommendations without agreeing suitable alternatives may place the Council in breach of [act]. Acting on the recommendations is within the Council’s powers as set out at [x]. 	[Legal Team]
Privacy and Data Protection	None	
Equalities	None	
Crime and Disorder	None	
Procurement	None	

8. REPORT APPENDICES

- Appendix 1: Report and Financial Statements 2016/17
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9. BACKGROUND PAPERS

None.