

Accounts 2020/21

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

Executive Summary

The audit of the Trust accounts for 2020/21 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.

Purpose of Report

To formally approve the Trust accounts for 2020/21.

This report makes the following recommendations to this Committee:

1. That the Report and Financial Statement for 2020/21 are approved and submitted to the Charity Commission.
2. That the Letter of Representation be approved.
3. That the contents of the Audit Findings Report be noted.

Timetable

Meeting	Date
Cobtree Manor Estate Committee	25 January 2022

Accounts 2020/21

1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The operation of the Estate directly supports the objects of the Trust as set out when the Council became the Corporate Trustee	Head of Regeneration & Economic Development
Cross Cutting Objectives	The operation of the Estate supports the Council's strategic objective to ensure there are good leisure and cultural attractions in the Borough.	Head of Regeneration & Economic Development
Risk Management	There is a potential reputational risk if the annual accounts are not prepared correctly and in accordance with recommended best practice.	Leisure Manager
Financial	There is a financial risk to the Trust if the operations cost more than predicted or fail to generate sufficient income to cover the costs of running them estate.	Senior Finance Manager (Client)
Staffing	There are no additional implications arising from this report.	Leisure Manager
Legal	<p>Under the Council's Constitution the Committee as Corporate Trustee is responsible for all matters relating to the Charity with the exception of daily management.</p> <p>Law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the year and of its financial position at the end of the year. There is then a requirement to have the statements audited externally and submitted to the Charity Commission.</p> <p>There are no further implications arising from this report.</p>	Team Leader (Corporate Governance), Mid Kent Legal Services
Privacy and Data Protection	There are no new privacy or data protection implications as a result of this report and recommendations.	Principal Solicitor (Corporate Governance), Mid Kent

		Legal Services
Equalities	There are no additional implications arising from this report.	Anna Collier Policy and Information Manager
Public Health	There are no additional implications arising from this report.	Public Health Officer
Crime and Disorder	There are no additional implications arising from this report.	Head of Regeneration & Economic Development
Procurement	There are no additional implications arising from this report.	Head of Regeneration & Economic Development
Biodiversity & Climate Change	The implications of this report on biodiversity and climate change have been considered and there are no implications on biodiversity and climate change.	Biodiversity and Climate Change Manager

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 2020/2021

3.1 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.

3.2 There are no major issues that have arisen regarding the accounts following the audit. A number of 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 as part of the Audit Findings Report, which is discussed later in this report. None of these have had any impact upon the financial resources available to the Trust.

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

- The total funds of the Trust as shown on the Balance Sheet have decreased slightly from £4.40m to £4.38m, with the Statement of Financial Activities (SOFA) showing a net funds decrease of £58,688 for the year.
- On the Balance Sheet the main movements are a reduction in the value of tangible assets of £0.16m, which is mainly due to the annual depreciation charge, which was partially offset by an increase in the value of the Charifund investment. There was also an increase in the debtors and creditors balances which was monies owed by contractors and to the Council respectively at the balance sheet date.
- On the SOFA there was a small reduction in income received from investments, including the will trust income received from the Cobtree Charity Trust Ltd. There was also an increase in expenditure, mainly on repairs and maintenance, but these were partially offset by reductions in salaries and other fees and services. The additional repairs and maintenance spend included some significant one-off items such as the installation of the new automatic gates and new play equipment, as well as other play area repairs that were needed.

3.4 The Audit Findings Report (**Appendix 3**) sets out the accounting adjustments that were agreed with the auditors after the draft accounts were submitted to them. These were an adjustment to the will trust income as the amount received was less than had been accrued for initially in the accounts, and adjustment to the loan interest due on the car park works.

3.5 **Appendix 2** is the Letter of Representation for 2020/21. This asks Trustees to confirm a number of statements relating to the audit and the information supplied to the auditors during the course of their audit.

4. **AUDIT FINDINGS REPORT**

4.1 The Audit Findings Report is attached at **Appendix 3**. The purpose of this report is to bring to the attention of the Committee various matters that have arisen from the external audit.

4.2 The audit is substantially complete, and it is anticipated that an unmodified audit report will be issued.

4.3 The report also covers significant audit risks and other areas of focus and sets out some details regarding accounting practices and financial reporting issues.

4.4 The report summarises the accounting adjustments that were agreed following the audit of the accounts, which were outlined in more detail in the section on the accounts earlier in this report.

4.5 There are no new recommendations arising from the audit for 2020/21, and there are no outstanding issues from previous years.

4.6 The final section covers developments in the charity accounting sector.

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 2022.

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

5.3 That the contents of the Audit Findings Report are noted.

5.4 There are no alternative actions. The Audit Findings Report is written for the benefit of those charged with governance to bring to their attention matters of interest that have arisen during the external audit process, therefore it needs to be considered by the Committee.

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.

7. REPORT APPENDICES

- Appendix 1 – Report and Financial Statements 2020/21
 - Appendix 2 – Letter of Representation
 - Appendix 3 – Audit Findings Report
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8. BACKGROUND PAPERS

None.