



NOTTINGHAM CITY COUNCIL
TRUSTS AND CHARITIES COMMITTEE

Date: Friday, 18 March 2016

Time: 2.00 pm

Place: LB32 - Loxley House, Station Street, Nottingham, NG2 3NG

Councillors are requested to attend the above meeting to transact the following business

Corporate Director for Resilience

Governance Officer:

Noel McMenamin **Direct Dial:** 0115 876 4304

AGENDA

Pages

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| 3 | MINUTES
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| 7 | QUARTER 3 BUDGET MONITORING 2015/16 - BRIDGE ESTATE, HARVEY HADDEN STADIUM AND HIGHFIELDS PARK TRUST
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IF YOU NEED ANY ADVICE ON DECLARING AN INTEREST IN ANY ITEM ON THE AGENDA, PLEASE CONTACT THE GOVERNANCE OFFICER SHOWN ABOVE, IF POSSIBLE BEFORE THE DAY OF THE MEETING

CITIZENS ATTENDING MEETINGS ARE ASKED TO ARRIVE AT LEAST 15 MINUTES BEFORE THE START OF THE MEETING TO BE ISSUED WITH VISITOR BADGES

CITIZENS ARE ADVISED THAT THIS MEETING MAY BE RECORDED BY MEMBERS OF THE PUBLIC. ANY RECORDING OR REPORTING ON THIS MEETING SHOULD TAKE PLACE IN ACCORDANCE WITH THE COUNCIL'S POLICY ON RECORDING AND REPORTING ON PUBLIC MEETINGS, WHICH IS AVAILABLE AT WWW.NOTTINGHAMCITY.GOV.UK. INDIVIDUALS INTENDING TO RECORD THE MEETING ARE ASKED TO NOTIFY THE GOVERNANCE OFFICER SHOWN ABOVE IN ADVANCE.

NOTTINGHAM CITY COUNCIL

TRUSTS AND CHARITIES COMMITTEE

MINUTES of the meeting held at LB 32 - Loxley House, Station Street, Nottingham, NG2 3NG on 29 January 2016 from 14.02 - 14.13

Membership

Present

Councillor Glyn Jenkins (Chair)
Councillor Liaqat Ali
Councillor Carole-Ann Jones
Councillor Patience Uloma Ifediora
Councillor David Smith
Councillor Andrew Rule

Absent

Councillor John Hartshorne
Councillor Anne Peach
Councillor Steve Young

Colleagues, partners and others in attendance:

Richard Cox	-	Property Services
Connie Green	-	Legal Services
Thomas Straw	-	Financial Services
James Welbourn	-	Governance Officer

31 CHAIR

In the absence of the Chair, Councillor Glyn Jenkins, took the Chair for the meeting.

32 APOLOGIES

Councillor Anne Peach	-	leave
Councillor Steve Young	-	leave

33 DECLARATIONS OF INTERESTS

None.

34 MINUTES

The minutes of the meeting held on 27 November 2015 were confirmed as a correct record and signed by the Chair.

35 REINSTATEMENT CONTRACT - UNITS 22-24 WHITEMOOR COURT, NUTHALL ROAD NG8 5BY

Richard Cox, Principal Estates Surveyor at Nottingham City Council introduced the Reinstatement Contract report for Units 22-24 Whitemoor Court.

Prior to making a resolution, members discussed the contents of the exempt appendices.

36 EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration of the remaining item in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, as defined in paragraph 3 of Part 1, Schedule 12A of the Act.

**37 REINSTATEMENT CONTRACT - UNITS 22-24 WHITEMOOR COURT,
NUTHALL ROAD NG8 5BY - EXEMPT APPENDICES**

RESOLVED to

- (1) approve the letting of the building contract to reinstate Units 22-24, Whitemoor Court, Nuthall Road, on the terms set out in the exempt appendix;**
- (2) note the exempt appendices.**

TRUSTS AND CHARITIES COMMITTEE – 18 March 2016

Title of paper:	Bridge Estate Trust - Budget 2016/17	
Director(s)/ Corporate Director(s):	Geoff Walker Director of Strategic Finance	Wards affected: All
Report author(s) and contact details:	Tom Straw, Finance Manager Capital thomas.straw@nottinghamcity.gov.uk 0115 8763659	
Other colleagues who have provided input:	Georgina Lewis, Finance Analyst Tracy White, Senior Finance Assistant	
Date of consultation with Portfolio Holder(s) (if relevant)		
Relevant Council Plan Key Theme:		
Strategic Regeneration and Development		<input type="checkbox"/>
Schools		<input type="checkbox"/>
Planning and Housing		<input type="checkbox"/>
Community Services		<input type="checkbox"/>
Energy, Sustainability and Customer		<input type="checkbox"/>
Jobs, Growth and Transport		<input type="checkbox"/>
Adults, Health and Community Sector		<input type="checkbox"/>
Children, Early Intervention and Early Years		<input type="checkbox"/>
Leisure and Culture		<input type="checkbox"/>
Resources and Neighbourhood Regeneration		<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):		
This report details the Budget for 2016/17 for approval		
Recommendation(s):		
1	The 2016/17 Budget for Bridge Estate be approved	

1 REASONS FOR RECOMMENDATIONS

- 1.1 The Trustees have responsibility for making recommendations on the management of the Charity. The budget is a key part of the framework for the financial management of the Trust and the recommendations set out the budget targets against which the performance of the Trust will be monitored.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 This report is an integral part of the Council's regular monitoring, forecasting and reporting system. The report enables the Trusts and Charities Committee to be aware of the financial position of the Charity and therefore allows any appropriate decisions or actions to be taken in their role as Trustee.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 None

4 **FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)**

4.1 **BUDGET 2016/17**

The preparation of the Bridge Estate budget for 2016/17 is set out in **Table 1** and shows an anticipated surplus of £1,732,270 before the grant awarded to NCC:

Table 1: Bridge Estate 2016/17 Budget			
	Budget 2015/16	Changes	Budget 2016/17
	£	£	£
External Income	(2,182,090)	(8,230)	(2,190,320)
Expenditure:			
Premises Costs	199,480	1,810	201,290
Supplies & Services	41,890	(4,020)	37,870
Support Services	139,560	(8,050)	131,510
Bridge Maintenance	5,000	(5,000)	0
Interest on Borrowing	92,680	(5,300)	87,380
Total Expenditure	478,610	(20,560)	458,050
Surplus before NCC Grant	(1,703,480)	(28,790)	(1,732,270)
Less Grant to NCC	1,545,000	0	1,545,000
Net Surplus	(158,480)	(28,790)	(187,270)
Net Contribution to Reserves:			
Repairs and Renewal Funds	67,000	5,000	72,000
Un-earmarked Reserve	91,480	23,790	115,270
Unallocated Surplus	0	0	0

The overall movements between the 2015/16 and 2016/17 budgets relate to:

- Inflation, which has been applied, where appropriate, in line with the inflation rates used by NCC.
- Rent income has increased across the portfolio, particularly at Wheeler Gate, Century House and Castle Gate House. The reduced rent due to voids at Whitemoor Court should only be temporary as lettings should increase here in future years when refurbishment works have been completed.
- Supplies and Services costs have reduced due to savings on letting fees and holding costs due to properties being let (mainly Century House and Wheeler Gate).
- Support Services costs have reduced due to a forecast reduction in NCC Property Management Fees chargeable to Bridge Estate.
- Interest on borrowing has reduced in line with the schedule of repayments on the loan for the acquisition of Lister Gate in 2012/13.

Grant to Nottingham City Council

- The table above indicates that the 2016/17 budgeted surplus before NCC grant is £1,732,270. The grant awarded to NCC remains at the same level as 2015/16 which allows the Trust to set contributions to reserves as indicated below.

Contributions to Reserves

It is proposed that the net surplus is used as follows:

- **Contribution to Repairs and Renewals Fund (£72,000)** – Trent Bridge is due to be fully repainted during 2018. The cost of the repainting and other maintenance costs is expected to be around £600,000. If contributions are maintained at £72,000 between 2016/17 and 2018/19, then the reserve will be sufficient to meet this cost.

The table below shows the funding that will be available by 2018/19:

Table 2: Trent Bridge Repairs and Renewals Fund	
	£
Balance at 31 March 2015	330,699
Contribution 2015/16	72,000
Drawdown of reserve in 2014/15 for paintwork to balustrades	(5,000)
Balance at 31 March 2016	397,699
Contribution 2016/17	72,000
Contribution 2017/18	72,000
Contribution 2018/19	72,000
Available Funding 2018/19	613,699

- **Contribution to Un-earmarked Reserve (£115,270)** – An un-earmarked reserve was established in 2014/15 to allow the Trust some flexibility in responding to variability in future surpluses or other unforeseen events, and take advantage of other opportunities that may arise. It is proposed to transfer the balance of the surplus to this reserve, increasing the reserve as shown below.

Table 3: Unearmarked Reserves	
	£
Balance at 31 March 2015	60,745
Estimated Contribution 2015/16	154,991
Estimated Balance at 31 March 2016	215,736
Budgeted Contribution 2016/17	115,270
Estimated Balance at 31 March 2017	331,006

5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

5.1 None

6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISION RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE) (AREA COMMITTEE REPORTS ONLY)

6.1 None

7 EQUALITY IMPACT ASSESSMENT

7.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because:

(Please explain why an EIA is not necessary)

Yes



Attached as Appendix x, and due regard will be given to any implications identified in it.

8 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

8.1 Budget and final account working papers.

9 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

9.1 None

TRUSTS AND CHARITIES COMMITTEE – 18 March 2016

Title of paper:	Harvey Hadden Stadium Trust and Highfields Park Trust Budget 2016/17	
Director(s)/ Corporate Director(s):	Geoff Walker Director of Strategic Finance	Wards affected: All
Report author(s) and contact details:	Tom Straw, Finance Manager Capital thomas.straw@nottinghamcity.gov.uk 0115 8763659	
Other colleagues who have provided input:	Steve Ross, Finance Analyst Tracy White, Senior Finance Assistant	
Date of consultation with Portfolio Holder(s) (if relevant)		
Relevant Council Plan Key Theme:		
Strategic Regeneration and Development		<input type="checkbox"/>
Schools		<input type="checkbox"/>
Planning and Housing		<input type="checkbox"/>
Community Services		<input type="checkbox"/>
Energy, Sustainability and Customer		<input type="checkbox"/>
Jobs, Growth and Transport		<input type="checkbox"/>
Adults, Health and Community Sector		<input type="checkbox"/>
Children, Early Intervention and Early Years		<input type="checkbox"/>
Leisure and Culture		<input type="checkbox"/>
Resources and Neighbourhood Regeneration		<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):		
This report details the Harvey Hadden Stadium Trust and Highfields Leisure Park Trust budget for 2016/17.		
Recommendation(s):		
1	That the 2016/17 budgets be approved subject to confirmation of the City Council's contribution, which will be approved as part of the City Council's 2016/17 budget.	

1 REASONS FOR RECOMMENDATIONS

- 1.1 The Trustees have responsibility for making recommendations on the management of the Charity. The budget is a key part of the framework for the financial management of the Trust and the recommendations set out the budget targets against which the performance of the Trust will be monitored.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 This report is an integral part of the Council's regular monitoring, forecasting and reporting system. The report enables the Trusts and Charities Committee to be aware of the financial position of the Charity and therefore allows any appropriate decisions or actions to be taken in their role as Trustee.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 None

4 **FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)**

4.1 The 2016/17 budgets for Highfields Leisure Park Trust and Harvey Hadden Stadium Trust have been drafted, after applying inflation where appropriate, in line with the inflation rates used by the City Council. The City Council's grant contribution is approved as part of the City Council's 2016/17 budget. The draft budgets for the two trusts are set out below.

4.2 Highfield Park Budget 2016-17

Table 1: Highfields Park Forecast			
	Updated Budget 2015/16	Changes	Budget 2016/17
	£	£	£
Income:			
Investment Income	4,670	(230)	4,440
Fees and Charges	50,470	0	50,470
Rents	43,630	120	43,750
Concessions	24,210	10,940	35,150
Total Income	122,980	10,830	133,810
Expenditure:			
Grounds Maintenance	201,110	1,710	202,820
Utilities	26,360	1,550	27,910
Building repairs	3,300	30	3,330
Finance Charges	950	30	950
Total Expenditure	231,720	3,320	235,010
Net Deficit before NCC Grant	108,740	(7,510)	101,200
Less NCC Grant	108,740	(7,510)	101,200
NET (INCOME)/EXPENDITURE	0	0	0

The changes in the budget relate to the following:

1. Increase in concessions income as a result of a new tender.
2. Increase in expenditure as a result of inflation.
3. Reduction in grant from Nottingham City Council as a result of net underspend.

4.3 Harvey Hadden Stadium Budget 2016-17

Table 2: Harvey Hadden Stadium Budget 2016-17			
	Updated Budget 2015/16	Changes	Budget 2016/17
	£	£	£
Income - Rents	23,000	0	23,000
Expenditure:			
Grounds Maintenance	82,410	1,660	84,070
Utilities	24,850	1,990	26,840
Building repairs	6,930	60	6,990
Finance Charges	950		950
Total Expenditure	115,140	3,710	118,850
Net Deficit before NCC Grant	92,140	3,710	95,850
Less NCC Grant	92,140	3,710	95,850
NET (INCOME)/EXPENDITURE	0	0	0

The changes in the budget relate to the following:

1. Increase in expenditure as a result of inflation.
2. Increase in grant from NCC as a result of net overspend.

5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

5.1 None

6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISION RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE) (AREA COMMITTEE REPORTS ONLY)

6.1 None

7 EQUALITY IMPACT ASSESSMENT

7.1 Has the equality impact of the proposals in this report been assessed?

No

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An EIA is not required because:

(Please explain why an EIA is not necessary)

Yes

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**8 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR
THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION**

8.1 None

9 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

9.1 Annual Accounts 2014/15
 Accounts and Audit Regulations 2011

TRUSTS AND CHARITIES COMMITTEE – 18 March 2016

Title of paper:	Bridge Estate – Breakdown of financial assets	
Director(s)/ Corporate Director(s):	Geoff Walker Director of Strategic Finance	Wards affected: All
Report author(s) and contact details:	Tom Straw thomas.straw@nottinghamcity.gov.uk 0115 8763659	
Other colleagues who have provided input:	Glyn Daykin – Finance Analyst Treasury	
Date of consultation with Portfolio Holder(s) (if relevant)		
Relevant Council Plan Key Theme:		
Strategic Regeneration and Development		<input type="checkbox"/>
Schools		<input type="checkbox"/>
Planning and Housing		<input type="checkbox"/>
Community Services		<input type="checkbox"/>
Energy, Sustainability and Customer		<input type="checkbox"/>
Jobs, Growth and Transport		<input type="checkbox"/>
Adults, Health and Community Sector		<input type="checkbox"/>
Children, Early Intervention and Early Years		<input type="checkbox"/>
Leisure and Culture		<input type="checkbox"/>
Resources and Neighbourhood Regeneration		<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):		
Bridge Estate has a number of Financial Assets. This report informs the trustees of the return Bridge Estate is receiving on its investments and the options available.		
Recommendation(s):		
1	The Trustees to decide whether they wish to recall the loan to the City Council and use the funds to prioritise the early repayment of the City Council loan.	
2	The Trustees to review each investment held by Bridge Estate and decide the preferred investment decision.	

1 REASONS FOR RECOMMENDATIONS

1.1 This paper aims to provide the Trustees with information on risk and returns to allow them to make decisions on the most efficient investment of financial assets, in line with their responsibilities as Trustees.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1 The Bridge Estate is a charity of which Nottingham City Council is sole trustee. All transactions relating to Bridge Estate are subject to the same Financial Regulations and policies as those relating to the Treasury Management activities of the City Council.

The Charity's primary investment strategy is the investment in property. When funds are generated the current policy is to hold the cash on deposit until such time a suitable property investment opportunity has been identified.

A breakdown of Bridge Financial Assets / (Liabilities) is as follows:

Type of Investment	Balance at 31/03/13 £000	Balance at 31/03/14 £000	Balance at 31/03/15 £000	Balance at 31/12/15 £000	Current Return p/a
Cash	1,718	1,051	4,146	2,804	0.5%
Cash Invested with Nottingham City Council	270	270	270	Restated 31 st March 16	0.5%
Government Stocks	1	1	1	Restated 31 st March 16	1.97%
COIF Accumulation Units	311	331	377	Restated 31 st March 16	10.61%
Nottingham City Council Loan	(3,923)	(3,727)	(3,531)	Restated 31 st March 16	(2.7%)

Currently the Bridge Estate cash and the cash invested are held by the Council and both investments receive interest at the Bank of England Base Rate which currently is 0.5%. The Council's Risk Management Policy for Treasury Management is in accordance with the CIPFA Prudential Code, prioritising the security and liquidity of external investments, and within those parameters, to seek to maximise the return on such investments.

2.2 Each financial asset / investment identified above is evaluated below:

2.2.1 Cash

As at the 31st December 2015 the Bridge Estate had a cash balance of £2,804k on which it earns interest at 0.5%. Reviewing the expected cash flow from to the 31st March 2016 using the forecast presented to the Committee on the 27th November and the repairs due at Whitemoor Court it gives Bridge a contingency fund of the following:

Type of Investment	£000
Cash Balance at 31/12/15	2,804
Estimated Financial Commitments	(2,211)
Cash balance uncommitted (contingency fund)	593

The majority of the Bridge Estate's cash has been earmarked for other expenditure as reported to the Committee. Some of the uncommitted cash balance can be re-invested in short term investments or used to repay some of the City Council loan early, the respective rates available are detailed below (all the below rates are subject to movements in the Bank of England Base Rate):

	Interest Rate	Income or Saving
Repay Nottingham City Council Loan	2.2%	Saving
Cash within Lloyds Account	0.5%	Income
Cash invested in a 3 month investment account	0.48%	Income

However it would be prudent for the Bridge Estate to hold a sufficient cash balance in order to cover any unforeseen opportunities / expenditure.

2.2.2 Cash Invested with Nottingham City Council

The cash invested with Nottingham City Council is providing the same level of return as the cash balance (i.e. 0.5%). This is an instant access investment as the cash has to be returned by Nottingham City Council on the same day as requested.

Therefore the investment could be returned to the Bridge Estate and it would give the Bridge Estate more liquidity with the balance held in cash without it affecting Bridge Estates return on investments. This would increase the cash balance uncommitted as per section 2.2.1.

2.2.3 Government Stocks

Bridge Estate hold a small balance of Government Stock which is providing a return of 1.97% at present.

Government Stocks are considered long term investments as the buying price is greater than the selling price, and organisations which hold such stocks are expected to make a return through interest receipts and the value of the stocks increasing.

2.2.4 COIF Accumulation Units

The fund operates by pooling money from a large number of charities and then investing it to create a diversified investment portfolio from which a return is paid to each individual investor.

Pooled funds vary greatly in the levels of risk and returns they offer which is a reflection of the risk in the individual investments with any fund portfolio. The Charity Deposit Fund is marketed as a fund suitable to those seeking for a high level of security of their capital. This is reflected in the Fitch credit rating of AAA/V1 which is the highest rating for this type of fund. Any fund that has a VNAV has the possibility of capital loss i.e. the value of each £1 of the Charities money invested can reduce as well as increase therefore the charity may not get all of its investment back.

The COIF Accumulation units held by the Bridge Estate are no longer available, but there are other similar units available. However, historically this option has been avoided by the trustees due to the risk of the principal being invested potentially decreasing.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Bridge Estate has the option of keeping its financial assets / investments at the current level and not taking advantage of potential savings or increased returns.

4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 The trustees have the option of using the cash invested with Nottingham City Council (as detailed in section 2.2.2) to offset the Nottingham City Council loan (as shown in section 2.2.1). If this option is taken the Bridge Estate would make an interest saving of circa £6k per annum due to the interest saving of 2.2% (i.e. 2.7% charged less the 0.5% received).

5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

5.1 None

6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISION RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE) (AREA COMMITTEE REPORTS ONLY)

6.1 None

7 EQUALITY IMPACT ASSESSMENT

7.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because:

(Please explain why an EIA is not necessary)

Decision does not relate to new or changing policies, services or functions.

Yes



Attached as Appendix x, and due regard will be given to any implications identified in it.

8 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

8.1 None

9 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

9.1 None

TRUSTS AND CHARITIES COMMITTEE – 18 March 2016

Title of paper:	Quarter 3 Budget Monitoring 2015/16 - Bridge Estate, Harvey Hadden Stadium and Highfields Park Trust	
Director(s)/ Corporate Director(s):	Geoff Walker Director of Strategic Finance	Wards affected: All
Report author(s) and contact details:	Tom Straw, Finance Manager Capital thomas.straw@nottinghamcity.gov.uk 0115 8763659	
Other colleagues who have provided input:	Georgina Lewis, Finance Analyst Steve Ross, Finance Analyst Tracy White, Senior Finance Assistant	
Date of consultation with Portfolio Holder(s) (if relevant)		
Relevant Council Plan Key Theme:		
Strategic Regeneration and Development		<input type="checkbox"/>
Schools		<input type="checkbox"/>
Planning and Housing		<input type="checkbox"/>
Community Services		<input type="checkbox"/>
Energy, Sustainability and Customer		<input type="checkbox"/>
Jobs, Growth and Transport		<input type="checkbox"/>
Adults, Health and Community Sector		<input type="checkbox"/>
Children, Early Intervention and Early Years		<input type="checkbox"/>
Leisure and Culture		<input type="checkbox"/>
Resources and Neighbourhood Regeneration		<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):		
This report details the forecast outturn for 2015/16 Bridge Estate, Harvey Hadden Stadium Trust and Highfields Leisure Park Trust, based on the third quarter's budget monitoring.		
Recommendation(s):		
1	That the forecast outturn for each of the trusts for 2015/16 be noted.	

1 REASONS FOR RECOMMENDATIONS

- 1.1 This report is an integral part of the Council's regular monitoring, forecasting and reporting system. The report enables the Trusts and Charities Committee to be aware of the financial position of the Charities and therefore allows any appropriate decisions or actions to be taken in their role as Trustee.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 As Trustee, the Council has responsibility for making recommendations on the management of the Charities. The budget is a key part of the framework for the financial management of the trusts and any subsequent recommendations.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 None

4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

4.1 BRIDGE ESTATE - REVENUE

The forecast outturn for 2015/16 is detailed in **Table 1**. The forecast is based on the income and expenditure to December together with anticipated future income and expenditure to the year end.

Table 1: Bridge Estate Quarter 3			
	Updated Budget 2015/16	Forecast 2015/16	(Under)/ Over Spend 2015/16
	£	£	£
External Income	(2,182,090)	(2,260,525)	(78,435)
Expenditure:			
Premises	204,480	200,672	(3,808)
Supplies and Services	41,890	33,972	(7,918)
Support Services	139,560	125,240	(14,320)
Interest on Borrowing	92,680	92,678	(2)
Total Expenditure	478,610	452,562	(26,048)
Surplus before NCC Grant	(1,703,480)	(1,807,963)	(104,483)
Less Grant to NCC	1,545,000	1,585,972	40,972
Net Surplus	(158,480)	(221,991)	(63,511)
Contribution to Funds/Reserves			
Repairs and Renewal Funds	67,000	67,000	0
Un-Earmarked Reserve	91,480	154,991	63,511
Unallocated Surplus	0	0	0

Current projections indicate that there will be an overachievement of £104,483 against the budgeted surplus. In 2014/15, there was an underachievement against budget of £40,972 and the amount of grant paid to NCC was reduced by this amount. The payment of grant to NCC in 2015/16 will therefore be increased by £40,972 leaving a balance of £63,511 to be paid into reserves.

Projected variances against individual budget lines are explained below.

- **Income (£78,435 additional)** – This is made up of a number of items -
 - Additional rent against budget of £110,000 following the rent review of the cold store at the Cattle Market which has been backdated to 2007.
 - Additional rent against budget of £7,000 following the increased rent at 140 Vernon Road
 - Additional rent against budget of £15,000 following lettings at Wheeler Gate.
 - A negative adjustment of £7,000 relating to a rent write-off for 192 Poplar Street
 - Shortfall in income of £43,000 relating to voids at Whitemoor Court.

- **Premises (£3,808 underspend)** – There is a one off additional cost of £3,000 over budget to bring all trees up to a sustainable standard. In addition there is a sum of £11,000 in respect of Council Tax Liabilities falling within Bridge Estate. There are also addition Business Rates liabilities at 140 Vernon Road of £10,000. These costs are offset by an underspend of £5,000 on Business rates at Wheeler Gate now that it is fully let and a further underspend of £23,000 relating to reduced energy costs at Woolsthorpe Close.
- **Supplies and Services (£7,918 underspend)** – This relates to savings on letting fees and holding costs due to properties being let (Mainly Century House & Wheeler Gate).
- **Support Services (£14,320 underspend)** – This is due to a reduction in NCC Property Management Fees chargeable to Bridge Estate.
- **Un-earmarked Reserve (£63,511 overspend)** – Due to the net additional income against budget, a greater balance is now available to be transferred to reserves.

4.2 BRIDGE ESTATE – CAPITAL

The Trust has established a separate reserve for the repair of Trent Bridge. An annual contribution to the reserves of £72,000 is planned to generate funding for the repainting of the Bridge in 2018/19. The reserve position is as follows:

Table 2: Trent Bridge Repairs Reserve	
	£
Balance at 31 March 2015	330,699
Projected Contribution 2015/16	72,000
Drawdown of reserve in 2015/16 – completion of balustrade work	(5,000)
Projected Balance at 31 March 2016	397,699

4.3 HARVEY HADDEN STADIUM TRUST

Table 3: Harvey Hadden Stadium Forecast			
	Updated Budget 2015/16 £	Forecast 2015/16 £	(Under)/ Over Spend 2015/16 £
Income - Rents	23,000	10,080	12,920
Expenditure:			
Grounds Maintenance	82,410	82,410	0
Utilities	24,850	24,850	0
Building repairs	6,930	8,050	1,120
Finance Charges	950	950	0
Total Expenditure	115,140	116,260	1,120
Net Deficit before NCC Grant	92,140	106,180	14,040
Less NCC Grant	92,140	106,180	(14,040)
NET (INCOME)/EXPENDITURE	0	0	0

Outturn is expected to be on budget.

4.4 HIGHFIELDS LEISURE PARK TRUST

Table 4: Highfields Park Forecast			
	Updated Budget 2015/16 £	Forecast 2015/16 £	(Under)/ Over Spend 2015/16 £
Income:			
Investment Income	4,670	4,443	227
Fees and Charges	50,470	51,926	(1,456)
Rents	43,630	45,555	(1,925)
Concessions	24,210	31,503	(7,293)
Total Income	122,980	133,427	(10,447)
Expenditure:			
Grounds Maintenance	201,110	201,110	0
Utilities	26,360	23,360	(3,000)
Building repairs	3,300	6,344	3,044
Finance Charges	950	950	0
Total Expenditure	231,720	231,764	44
Net Deficit before NCC Grant	108,740	98,337	(10,403)
Less NCC Grant	108,740	98,337	10,403
NET (INCOME)/EXPENDITURE	0	0	0

Projected variances against budget are explained below:

- Increase in concessions income is as a result of a new tender and increase in boating income.
- Building repairs have increase due to the repair of the Cascade.
- The grant from NCC will be reduced by £10,403 to match the net under spend.

5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

5.1 None

6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISION RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE) (AREA COMMITTEE REPORTS ONLY)

6.1 None

7 EQUALITY IMPACT ASSESSMENT

7.1 Has the equality impact of the proposals in this report been assessed?

No

☒

An EIA is not required because:

(Please explain why an EIA is not necessary)

Yes

☐

8 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

8.1 Budget and final account working papers.

9 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

9.1 None

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TRUSTS AND CHARITIES COMMITTEE – 18 March 2016

Title of paper:	Charities - Review of Accounting Policies and Public Benefit Statements	
Director(s)/ Corporate Director(s):	Geoff Walker Director of Strategic Finance	Wards affected: All
Report author(s) and contact details:	Tom Straw, Finance Manager Capital thomas.straw@nottinghamcity.gov.uk 0115 8763659	
Other colleagues who have provided input:	Tracy White, Senior Finance Assistant	
Date of consultation with Portfolio Holder(s) (if relevant)		
Relevant Council Plan Key Theme:		
Strategic Regeneration and Development		<input type="checkbox"/>
Schools		<input type="checkbox"/>
Planning and Housing		<input type="checkbox"/>
Community Services		<input type="checkbox"/>
Energy, Sustainability and Customer		<input type="checkbox"/>
Jobs, Growth and Transport		<input type="checkbox"/>
Adults, Health and Community Sector		<input type="checkbox"/>
Children, Early Intervention and Early Years		<input type="checkbox"/>
Leisure and Culture		<input type="checkbox"/>
Resources and Neighbourhood Regeneration		<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):		
This report provides a set of Charity Commission compliant accounting policies and public benefit statements for the 2015/16 financial statements for the Bridge Estate, Harvey Hadden Stadium and Highfields Leisure Park Trust.		
Recommendation(s):		
1	Approve the accounting policies and public benefit statement for the Bridge Estate for inclusion in the 2015/16 Annual Report.	
2	Approve the accounting policies and public benefit statement for the Harvey Hadden for inclusion in the 2015/16 Annual Report.	
3	Approve the accounting policies and public benefit statement for the Highfields Trust for inclusion in the 2015/16 Annual Report.	

1 REASONS FOR RECOMMENDATIONS

- 1.1 It is a requirement for Trustees to approve public benefit statements and accounting policies for inclusion in the Annual Report.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The City Council's responsibilities as trustees of charities are carried out by the Trusts and Charities Committee. Depending upon the size of the charity the Charities Commission requires different levels of reporting. The City Council is trustee for three charities which require a formal Annual Report and Accounts, including a statement of accounting policies and public benefit statement.

These charities are the Bridge Estate, Harvey Hadden Stadium and Highfields Leisure Park Trust.

The Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) provides guidance for charities on how to apply the Financial Reporting Standard applicable in the UK and Republic of Ireland (referred to as FRS 102 in the SORP).

2.2 Public Benefit Statements

Trustees are required to disclose a detailed explanation within the Annual Report of the significant activities undertaken in providing a public benefit, in accordance with the charity's aims for the public benefit. The public benefit requirement means that, to be a charity, the organisation must be able to demonstrate that it is set up for charitable aims. This charitable aims are to be carried out to provide benefit to the public or a section of the public. Put simply, public benefit reporting is about explaining:

- what a charity's aims are and what it has done to carry them out;
- who it seeks to benefit;
- how people have benefited.

The principles of public benefit apply to all charities, whatever their aims. Each charity must be able to demonstrate that its aims are for the public benefit. Public benefit decisions are about whether an individual organisation is a charity and not about whether particular types of charity or groups of charities, as a whole, are for the public benefit.

The 2014/15 public benefit statement for the Bridge Estate Trust, has been updated with appropriate changes for the 2015/16 statement. The statements for Harvey Hadden Stadium and Highfields Leisure Park Trust remained unchanged from 2014/15. The Committee is asked to review the statements in **APPENDIX 1** against the Charity Commission's public benefit guidance, and either approve their inclusion in the 2015/16 Annual Reports, or suggest changes.

2.3 Accounting Policies

Accounting policies are the principles, bases, conventions, practices and rules by which transactions and items are recognised, measured and presented in the accounts.

The accounting policies for Bridge Estate, Highfields Leisure Park Trust and Harvey Hadden Stadium have been fully reviewed for 2015/16 and changes have been made. The changes that have been made are in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP). The Committee is asked to approve the accounting policies for inclusion in the 2015/16 annual reports **Appendices 2-4**.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 None

4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

4.1 None

5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

5.1 None

6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISION RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE) (AREA COMMITTEE REPORTS ONLY)

6.1 None

7 EQUALITY IMPACT ASSESSMENT

7.1 Has the equality impact of the proposals in this report been assessed?

No



An EIA is not required because:

(Please explain why an EIA is not necessary)

Yes



Attached as Appendix x, and due regard will be given to any implications identified in it.

8 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

8.1 Annual Accounts for:

- Bridge Estate Charitable Trust,
- Harvey Hadden, and
- Highfields

9 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

9.1 Charity Commission guidance on public benefit

[\(web address - Charities and Public Benefit: Summary Guidance for Charity Trustees\)](#)

Accounts and Audit regulations 2011

Charities Act 2011

The Accounting and Reporting by Charities: Statement of Recommended Practice (SORP)

Bridge Estate Public Benefit Statement (changes from 2014/15 are shown in red)

The maintenance and repair of Trent Bridge and approaches remains the primary objective of the charity. Trent Bridge is the major vehicle communication route from the south of the City and is critical in bringing economic benefit to the City. This is increasingly important in light of the downturn in the global and national economy. The bridge is open to the public at large, assuring public benefit on an open access basis. There are no restrictions regarding the members of the public who may use the bridge and no fees are charged.

The Trustee's Annual Report for the year ending **31 March 2016** confirms that any residual income would be applied to the improvement of the City of Nottingham in support of the Council's aims and objectives, as set out in the Council Plan and Medium Term Financial Strategy. This is delivered through the maintenance and protection of the Trust's portfolio of income producing assets.

The surplus income generated by the charity is transferred to NCC's General Fund and is used for the benefit of the citizens of Nottingham. As referred to above, the surplus contributes directly to the delivery of Nottingham's priorities as set out in the Council Plan and enables the Council to provide the citizens of Nottingham with effective and efficient services. The Bridge Estate fixed asset portfolio will be actively managed to secure new investment properties, increase income and reduce risk in an uncertain market.

The Bridge Estate's transfer to NCC's General Fund also represents an equivalent saving for Nottingham citizens who pay council tax on a Band D property of *** (£25 in 2014/15).

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives.

Harvey Hadden Stadium Trust Public Benefit Statement

The primary objective of the charity is to provide public sports and recreation for the people of the City of Nottingham forever. To achieve this, a programme of ongoing maintenance of the ground and related infrastructure is completed each year. This ensures the provision of well maintained, good quality public recreation facilities. The Trustees confirm that it has referred to the Charity Commission guidance on public benefit when reviewing the aims and objectives and when setting plans for the future. Harvey Hadden is open to the public at large on an open access basis. There are fees charged and booking arrangements in place for the use of the athletic track and sports facilities.

Highfields Leisure Park Trust Public Benefit Statement

The primary objective of the charity is to provide public recreation and pleasure grounds for the people of Nottingham forever. To achieve this, a programme of ongoing maintenance of grounds and equipment is completed each year. This ensures the provision of well maintained, good quality public recreation facilities. The Trustees confirm they have referred to the Charity Commission guidance on public benefit when reviewing the aims and objectives and when setting plans for the future. Highfields is open to the public at large assuring public benefit on an open access basis. There are no restrictions regarding the members of public who may use Highfields. No fees are charged for access to the park but some fees are charged for various concessions within the park.

BRIDGE ESTATE ACCOUNTING POLICIES 2015/16 (changes from 2014/15 are highlighted in red)

General Principles

The Annual Report summarises the Bridge Estate transactions for 2015/16 financial year together with its financial position at 31 March 2016.

This section explains the accounting policies applied in producing the Annual Report for the Bridge Estate. Accounting policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.

Basis of preparation and assessment of going concern

The Annual Report has been prepared in accordance with Statement of Recommended Practice: Accounting and Reporting preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and Charities Act 2011.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Income Recognition

Income receipts are accrued and accounted for in the period to which they relate. Payments received in advance are recognised as a liability on the balance sheet within creditors.

Rental income is recorded when the invoices are raised and become due for payment.

Expenditure Recognition

All expenditure is accrued and accounted for in the period during which they are consumed or received. Accruals have been made for all material sums unpaid at the year-end for goods or services received or work completed. Receipts received in advance are recognised as an asset on the balance sheet within debtors. Expenditure is classified under the following activity headings:

Raising Funds

Costs of raising funds includes premises expenses, which includes day to day maintenance and insurance. These are initially charged against the Endowment Fund in the SoFA, as recommended in the Charities SORP, but transferred to Unrestricted Funds within Gross Transfer Between Funds.

Charitable Activities

The net expenditure or income of the Bridge Estate is transferred to NCC's General Fund for the benefit of the citizens of Nottingham.

Other

Other expenditure includes the costs of governance arrangements, which relate to the general running of the charity, as opposed to direct management functions inherent in generating funds, service delivery and programme. These activities provide the governance infrastructure which allows the charity to operate and to generate the information required for public accountability.

Support costs include external audit fees, valuation fees and costs associated with trustee meetings and preparing statutory accounts.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Other recognised Gains/(losses)

The gains/(losses) on investment assets, represents the differences between proceeds received on disposals and their market value at the beginning of the year.

The gains/(losses) on revaluation of investment assets represents material changes in property valuations.

Fixed Assets

Investment properties

Investment properties are those used solely to earn rentals and/or for capital appreciation for the Bridge Estate. Investment properties are measured initially at cost. They are not depreciated but are revalued annually according to market conditions at year-end. Gains and losses on revaluation and on disposal are shown within the SOFA. However as revaluation and disposal gains and losses are not allowed by statute to impact on the financial activities of the Bridge Estate, they do not form part of the income and expenditure totals, but provide details within the SOFA of the movement on the Endowment Fund. Any sale proceeds are posted to the Endowment Fund.

Rental income from investment properties is credited to investment income within the SOFA.

Where land or property is held as a community asset, dedicated for the enjoyment of the public in perpetuity they are given a value of £NIL.

Other investments

Other investments are included in the Balance Sheet at market value and include loans and government stocks.

Accruals of Expenditure and Income

The accounts of the Bridge Estate are maintained on an accruals basis. This means that sums due to or from the Bridge Estate during the year are included whether or not the cash has actually been received or paid in the year. Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Cash received or paid and not yet recognised as income or expenditure is shown as a creditor (receipt in advance) or debtor (payment in advance) in the balance sheet and the SOFA adjusted accordingly. Fees, charges and rents due from customers are accounted for as income at the date that the Bridge Estate provides the associated goods or services.

This policy is not followed for certain quarterly payments, including gas and electricity, where expenditure is recorded at the date of meter reading rather than being apportioned between financial years. This policy is consistently applied each year and, therefore, does not have a material effect on the year's accounts.

Where it is doubtful that a debt will be settled, the balance of debtors is written down and a charge made to the SoFA for the income that might not be collected. This bad debt

provision is offset against the debtor balance on the balance sheet. In many cases, the value to be entered in respect of accrued transactions will be certain.

In others, this value has to be estimated and reference is then made to past transactions and trends in order to determine the likely value.

Cash

Cash is represented by deposits held within the Bridge Estate bank account.

Funds of the Charity

Endowment fund

The capital of the Bridge Estate is held as a permanent endowment fund. There is no power to convert the capital into income; the fund must generally be held indefinitely.

Unrestricted income fund

This fund has been established so that the cost of repairing Trent Bridge was spread out and does not impact on the finances of the Charity in a particular year. In 2006/07 an additional Renewal and Repairs Fund was set up to meet the cost of repairs to the housing stock held by the Bridge Estate. Annual contributions are made to the fund and repairs costs are charged to the SoFA in the year they are carried out, with transfers being taken from the fund.

The income from the fund is unrestricted income but it is expendable at the discretion of the active trustees in the furtherance of the charity's objectives.

HARVEY HADDEN STADIUM ACCOUNTING POLICIES 2015/16 (changes from 2014/15 are highlighted in red)

General Principles

The Annual Report summarises the Harvey Hadden Stadium transactions for 2015/16 financial year together with its financial position at 31 March 2016.

This section explains the accounting policies applied in producing the Annual Report for the Harvey Hadden Stadium Trust. Accounting policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.

Basis of preparation and assessment of going concern

The Annual Report has been prepared in accordance with Statement of Recommended Practice: Accounting and Reporting preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and Charities Act 2011. The accounts have been prepared in accordance with the historic cost basis of accounting except for fixed assets which have been included at notional amount.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Incoming Recognition

Income receipts are accrued and accounted for in the period to which they relate. Income received in advance is recognised as a liability on the balance sheet within creditors.

Income from Nottingham City Council funds the net expenditure of the Harvey Hadden Stadium Trust for the benefit of the citizens of Nottingham.

Expenditure Recognition

All expenditure is accrued and accounted for in the period during which they are consumed or received. Accruals have been made for all material sums unpaid at the year-end for goods or services received or work completed. Payments made in advance are recognised as an asset on the balance sheet within debtors. Expenditure is classified under the following headings:

Raising Funds

These costs mainly relate to premises expenses, which includes day to day maintenance, grounds maintenance and patrol.

Other

Other expenditure includes the identification of support costs applicable to the charity. Governance costs are directly funded by the Council, and these costs are not shown in the trust accounts.

Fixed Assets

Freehold land and buildings

The valuation of assets is a notional value that reflects the trusts perpetual covenant for general public access to and use of the stadium.

As a notional value is used, depreciation and impairment reviews are not applicable.

Accruals of Expenditure and Income

The accounts of the Harvey Hadden Stadium Trust are maintained on an accruals basis. This means that sums due to or from the Harvey Hadden Stadium Trust during the year are included whether or not the cash has actually been received or paid in the year.

Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Cash received or paid and not yet recognised as income or expenditure is shown as a creditor (receipt in advance) or debtor (payment in advance) in the balance sheet and the statement of financial activities adjusted accordingly.

Where it is doubtful that a debt will be settled, the balance of debtors is written down and a charge made to the statement of financial activities for the income that might not be collected. This bad debt provision is offset against the debtor balance on the balance sheet.

In many cases the value to be entered in respect of accrued transactions will be certain. In others, this value has to be estimated and reference is then made to past transactions and trends in order to determine the likely value.

Cash

This is represented by cash at bank which is held within the Council's bank account on behalf of the Harvey Hadden Stadium Trust charity and cash in hand.

Funds of the Charity

Unrestricted fund

A fund held on charitable trust for a purpose within the charity's objectives. The fund is equivalent to the notional value of the freehold land and buildings.

HIGHFIELDS LEISURE PARK TRUST ACCOUNTING POLICIES 2015/16

(changes from 2014/15 are highlighted in red)

General Principles

The Annual Report summarises the Highfields Leisure Park transactions for 2015/16 financial year together with its financial position at 31 March 2016.

This section explains the accounting policies applied in producing the Annual Report for the Highfields Leisure Park Trust. Accounting policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.

Basis of preparation assessment of going concern

The Annual Report has been prepared in accordance with Statement of Recommended Practice: Accounting and Reporting preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and Charities Act 2011. The accounts have been prepared in accordance with the historic cost basis of accounting except for fixed assets which have been included at notional amount.

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

Incoming Recognition

Income receipts are accrued and accounted for in the period to which they relate. Income received in advance is recognised as a liability on the balance sheet within creditors.

Nottingham City Council funds the net expenditure of the Highfields Leisure Park Trust for the benefit of the citizens of Nottingham.

Expenditure Recognition

All expenditure is accrued and accounted for in the period during which they are consumed or received. Accruals have been made for all material sums unpaid at the year-end for goods or services received or work completed. Payments made in advance are recognised as an asset on the balance sheet within debtors. Expenditure is classified under the following headings:

Raising Funds

These costs mainly relate to premises expenses, which includes day to day maintenance, grounds maintenance and patrol.

Other

Other expenditure includes the identification of support costs applicable to the charity. Governance costs are directly funded by the Council, and these costs are not shown in the trust accounts.

Fixed Assets

Freehold land and buildings

The valuation of assets is a notional value that reflects the trusts perpetual covenant for general public access to and use of the park.

As a notional value is used, depreciation and impairment reviews are not applicable.

Investment assets

Investment asset stated at market value. Highfields Leisure Park Trust's capital receipts with the Council upon which interest (Bank of England base rate) is received. This interest is shown within the statement of financial activities – Investment Income.

Accruals of Expenditure and Income

The accounts of the Highfields Leisure Park Trust are maintained on an accruals basis. This means that sums due to or from the Highfields Leisure Park Trust during the year are included whether or not the cash has actually been received or paid in the year.

Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet. Cash received or paid and not yet recognised as income or expenditure is shown as a creditor (receipt in advance) or debtor (payment in advance) in the balance sheet and the statement of financial activities adjusted accordingly.

Where it is doubtful that a debt will be settled, the balance of debtors is written down and a charge made to the statement of financial activities for the income that might not be collected. This bad debt provision is offset against the debtor balance on the balance sheet.

In many cases the value to be entered in respect of accrued transactions will be certain. In others, this value has to be estimated and reference is then made to past transactions and trends in order to determine the likely value.

Cash

This is represented by cash at bank which is held within the Council's bank account on behalf of the Highfields Leisure Park Trust charity and cash in hand.

Funds of the Charity

Unrestricted fund

A fund held on charitable trust for a purpose within the charity's objectives. The fund is equivalent to the notional value of the freehold land and buildings.

Restricted Funds

Capital receipts in respect of the sale or lease of land and buildings held and invested pending expenditure on further purchases of land or property for investment purposes.

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