

Trust and Charities Committee - 27 February 2015

Title of paper:	CHARITIES – REVIEW OF ACCOUNTING POLICIES	
Corporate Directors:	Glen O’Connell Acting Corporate Director of Resources	Wards affected: All
Report author and contact details:	Barry Dryden, Senior Finance Manager Barry.dryden@nottinghamcity.gov.uk 0115 8762799	
Other colleagues who have provided input:	Tracy White, Senior Finance Assistant	
Relevant Council Plan Strategic Priority:		
World Class Nottingham		X
Work in Nottingham		X
Safer Nottingham		X
Neighbourhood Nottingham		X
Family Nottingham		X
Healthy Nottingham		X
Leading Nottingham		
Summary of issues (including benefits to citizens/service users):		
This report provides a set of Charity Commission compliant accounting policies for the 2014/15 financial statements for the Bridge Estate, Harvey Hadden Stadium and Highfields Leisure Park Trust.		
Recommendation:		
1	That the Committee approve the accounting policies for the Bridge Estate (appendix 1), Harvey Hadden Stadium (appendix 2) and Highfields Leisure Park Trust (appendix 3), all for inclusion in the 2014/15 Annual Report.	

1. BACKGROUND

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

2. PROPOSAL

The accounting policies for Bridge Estate, Highfields Leisure Park Trust and Harvey Hadden Stadium have been fully reviewed for 2014/15 and minor changes have been made with regards to the financial year end dates. The minor changes that have been made are in accordance with the Charity Commission’s Statement of Recommended Practice (SORP). The Committee is asked to approve the accounting policies for inclusion in the 2014/15 annual reports.

3. **REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)**

Accounting policies are required to be included in the charities annual report, in accordance with the Charity Commission's Statement of Recommended Practice (SORP).

4. **OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

None

5. **FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)**

None

6. **RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND DISORDER ACT IMPLICATIONS AND EQUALITY AND DIVERSITY IMPLICATIONS)**

None

7. **EQUALITY IMPACT ASSESSMENTS (EIAs)**

None

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

None

9. **PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

Annual Accounts 2013/14;
Accounts and Audit regulations 2011;
Charities Act 2011;
The Charities (Accounts and Reports) Regulations 2008;
Statement of Recommended Practice: Accounting by Charities (the Charities SORP) issued in 1995 and revised October 2005.

Review of Bridge Estate Accounting Policies 2014/15

Accounting Policies 2013/14	Suggested Accounting Policies 2014/15 (amendments from 2013/14 in bold)	Charities: SORP 2005 (paragraph reference)
<p>General Principles The Annual Report summaries the Bridge Estate transactions for 2013/14 financial year together with its financial position at 31 March 2014.</p> <p>This section explains the accounting policies applied in producing the Annual Report for the Bridge Estate.</p> <p>Accounting policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.</p>	<p>General Principles The Annual Report summaries the Bridge Estate transactions for 2014/15 financial year together with its financial position at 31 March 2015.</p> <p>This section explains the accounting policies applied in producing the Annual Report for the Bridge Estate.</p> <p>Accounting policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.</p>	357
<p>Basis of preparation The Annual Report has been prepared in accordance with the Charities Act 2011 and applicable regulations and “Accounting and Reporting by Charities: Statement of Recommended Practice”, issued by the Charities Commission in February 2005 (The Charities SORP).</p> <p>The accounts have been prepared in accordance with the historic cost basis of accounting, except for investment properties which have been included at revalued amounts.</p> <p>Compliance with the Charities SORP and the adoption of accounting standards and principles issued or adopted by the Accounting Standards Board ensures that the accounts show “a true and fair view” of transactions during the year and the financial position of the Bridge Estate at the year end.</p>	<p>Basis of preparation The Annual Report has been prepared in accordance with the Charities Act 2011 and applicable regulations and “Accounting and Reporting by Charities: Statement of Recommended Practice”, issued by the Charities Commission in February 2005 (The Charities SORP).</p> <p>The accounts have been prepared in accordance with the historic cost basis of accounting, except for investment properties which have been included at revalued amounts.</p> <p>Compliance with the Charities SORP and the adoption of accounting standards and principles issued or adopted by the Accounting Standards Board ensures that the accounts show “a true and fair view” of transactions during the year and the financial position of the Bridge Estate at the year end.</p>	358

<p>Incoming Resources 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.</p> <p>Rental income is recorded when the invoices are raised and become due for payment.</p>	<p>Incoming Resources 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.</p> <p>Rental income is recorded when the invoices are raised and become due for payment.</p>	362
<p>Resources Expended 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.</p> <p><u>Cost of Generating Funds</u> Investment management costs mainly relate to premises expenses. These are initially charged against the Endowment Fund in the Statement of Financial Activities (SOFA), as recommended in the Charities SORP, but transferred to Unrestricted Funds within Gross Transfer Between Funds.</p> <p><u>Charitable Activities</u> The net expenditure or income of the Bridge Estate is transferred to the Nottingham City Council's General Fund for the benefit of the citizens of Nottingham.</p> <p><u>Governance Costs</u> Governance costs include 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.</p>	<p>Resources Expended 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.</p> <p><u>Cost of Generating Funds</u> Investment management costs mainly relate to premises expenses. These are initially charged against the Endowment Fund in the Statement of Financial Activities (SOFA), as recommended in the Charities SORP, but transferred to Unrestricted Funds within Gross Transfer Between Funds.</p> <p><u>Charitable Activities</u> The net expenditure or income of the Bridge Estate is transferred to the Nottingham City Council's General Fund for the benefit of the citizens of Nottingham.</p> <p><u>Governance Costs</u> Governance costs include 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.</p>	363

Direct costs include external audit fees, valuation fees and costs associated with trustee meetings and preparing statutory accounts.	Direct costs include external audit fees, valuation fees and costs associated with trustee meetings and preparing statutory accounts.	
<p>Fixed Assets</p> <p><u>Investment properties</u> 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.</p> <p>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.</p> <p><u>Other investments</u> Other investments are included in the Balance Sheet at market value.</p> <p><u>Other recognised Gains/(losses)</u> The gains/(losses) on investment assets, represents the differences between proceeds received on disposals and their market value at the beginning of the year.</p> <p>The gains/(losses) on revaluation of investment assets represents material changes in property valuations.</p>	<p>Fixed Assets</p> <p><u>Investment properties</u> 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.</p> <p>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.</p> <p><u>Other investments</u> Other investments are included in the Balance Sheet at market value.</p> <p><u>Other recognised Gains/(losses)</u> The gains/(losses) on investment assets, represents the differences between proceeds received on disposals and their market value at the beginning of the year.</p> <p>The gains/(losses) on revaluation of investment assets represents material changes in property valuations.</p>	364

<p>Accruals of Expenditure and Income</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Accruals of Expenditure and Income</p> <p>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.</p> <p>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.</p> <p>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.</p>	
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<p>Cash Cash is represented by deposits held within NCC's bank account on behalf of the Bridge Estate. A nominal interest is paid by NCC annually to the Bridge Estate for the average cash balance held. The interest is shown within the SOFA – Investment Income.</p>	<p>Cash Cash is represented by deposits held within NCC's bank account on behalf of the Bridge Estate. A nominal interest is paid by NCC annually to the Bridge Estate for the average cash balance held. The interest is shown within the SOFA – Investment Income.</p>	
<p>Funds of the Charity <u>Endowment fund</u> 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.</p> <p><u>Unrestricted income fund</u> 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 Statement of Financial Activities (SOFA) in the year they are carried out, with transfers being taken from the fund.</p> <p>The income from the fund is unrestricted income but it is expendable at the discretion of the trustees in the furtherance of the charity's objectives.</p> <p><u>Unearmarked Reserve</u> The establishment of an unearmarked reserve in 2013/14 will allow the Trustees flexibility for unforeseen events, and to take advantage of other opportunities that may arise.</p>	<p>Funds of the Charity <u>Endowment fund</u> 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.</p> <p><u>Unrestricted income fund</u> 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 Statement of Financial Activities (SOFA) in the year they are carried out, with transfers being taken from the fund.</p> <p>The income from the fund is unrestricted income but it is expendable at the discretion of the trustees in the furtherance of the charity's objectives.</p> <p><u>Unearmarked Reserve</u> The unearmarked reserve will allow the Trustees flexibility for unforeseen events, and to take advantage of other opportunities that may arise.</p>	<p>368</p>
<p>Going Concern The Annual Report is prepared on a going concern basis.</p>	<p>Going Concern The Annual Report is prepared on a going concern basis.</p>	

The following accounting policy notes, recognised by the Charity SORP, are not relevant to the Bridge Estate and will not be included within the Annual Report.

These are as follows:

1. pension costs and any pension asset or liability;
2. foreign exchange gains and losses;
3. treatment of exceptional items
4. treatment of finance and operating leases;
5. treatment of irrecoverable VAT.

Review of Highfields Leisure Park Trust Accounting Policies 2014/15

Accounting Policies 2013/14	Suggested Accounting Policies 2014/15 (amendments from 2013/14 in bold)	Charities: SORP 2005 (paragraph reference)
<p>General Principles</p> <p>The Annual Report summarises the Highfields Leisure Park transactions for 2013/14 financial year together with its financial position at 31 March 2014.</p> <p>This section explains the accounting policies applied in producing the Annual Report for the Highfields Leisure Park Trust.</p> <p>Accounting policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.</p>	<p>General Principles</p> <p>The Annual Report summarises the Highfields Leisure Park transactions for 2014/15 financial year together with its financial position at 31 March 2015.</p> <p>This section explains the accounting policies applied in producing the Annual Report for the Highfields Leisure Park Trust.</p> <p>Accounting policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.</p>	357
<p>Basis of preparation</p> <p>The accounts have been prepared in accordance with the Charities Act 2011 and applicable regulations and “Accounting and Reporting by Charities: Statement of Recommended Practice”, issued by the Charities Commission in February 2005 (The Charities SORP).</p> <p>The accounts have been prepared in accordance with the historic cost basis of accounting except for fixed assets which have been included at a notional amount.</p> <p>Compliance with the Charities SORP and the adoption of accounting standards and principles issued or adopted by the Accounting Standards Board ensures that the accounts show “a true and fair view” of transactions during the year and the financial position of the Highfields Leisure Park Trust at the year end.</p>	<p>Basis of preparation</p> <p>The accounts have been prepared in accordance with the Charities Act 2011 and applicable regulations and “Accounting and Reporting by Charities: Statement of Recommended Practice”, issued by the Charities Commission in February 2005 (The Charities SORP).</p> <p>The accounts have been prepared in accordance with the historic cost basis of accounting except for fixed assets which have been included at a notional amount.</p> <p>Compliance with the Charities SORP and the adoption of accounting standards and principles issued or adopted by the Accounting Standards Board ensures that the accounts show “a true and fair view” of transactions during the year and the financial position of the Highfields Leisure Park Trust at the year end.</p>	358

<p>Incoming Resources</p> <p>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.</p> <p>Nottingham City Council funds the net expenditure of the Highfields Leisure Park Trust for the benefit of the citizens of Nottingham.</p>	<p>Incoming Resources</p> <p>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.</p> <p>Nottingham City Council funds the net expenditure of the Highfields Leisure Park Trust for the benefit of the citizens of Nottingham.</p>	<p>362</p>
<p>Resources Expended</p> <p>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.</p> <p><u>Charitable Activities</u></p> <p>These costs mainly relate to premises expenses, which includes day to day maintenance, grounds maintenance and patrol.</p> <p><u>Governance Costs</u></p> <p>All governance costs, including the administration of the trust are directly funded by the Council and are not shown in the trust accounts.</p>	<p>Resources Expended</p> <p>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.</p> <p><u>Charitable Activities</u></p> <p>These costs mainly relate to premises expenses, which includes day to day maintenance, grounds maintenance and patrol.</p> <p><u>Governance Costs</u></p> <p>All governance costs, including the administration of the trust are directly funded by the Council and are not shown in the trust accounts.</p>	<p>363</p>

<p>Fixed Assets</p> <p><u>Freehold land and buildings</u></p> <p>The valuation of assets is a notional value that reflects the trusts perpetual covenant for general public access to and use of the park.</p> <p>As a notional value is used, depreciation and impairment reviews are not applicable.</p> <p><u>Investment assets</u></p> <p>This is the loan/investment, stated at market value, of 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.</p>	<p>Fixed Assets</p> <p><u>Freehold land and buildings</u></p> <p>The valuation of assets is a notional value that reflects the trusts perpetual covenant for general public access to and use of the park.</p> <p>As a notional value is used, depreciation and impairment reviews are not applicable.</p> <p><u>Investment assets</u></p> <p>This is the loan/investment, stated at market value, of 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 (SOFA) – Investment Income.</p>	<p>364</p>
<p>Accruals of Expenditure and Income</p> <p>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.</p> <p>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.</p> <p>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</p>	<p>Accruals of Expenditure and Income</p> <p>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.</p> <p>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.</p> <p>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</p>	

<p>collected. This bad debt provision is offset against the debtor balance on the balance sheet.</p> <p>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.</p>	<p>provision is offset against the debtor balance on the balance sheet.</p> <p>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.</p>	
<p>Cash</p> <p>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.</p>	<p>Cash</p> <p>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.</p>	
<p>Funds of the Charity</p> <p><u>Unrestricted fund</u></p> <p>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.</p> <p><u>Capital receipts</u></p> <p>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.</p>	<p>Funds of the Charity</p> <p><u>Unrestricted fund</u></p> <p>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.</p> <p><u>Restricted Funds</u></p> <p>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.</p>	368
<p>Going concern</p> <p>The Highfields Leisure Park Trust is considered a going concern for the foreseeable future.</p>	<p>Going Concern</p> <p>The Annual Report is prepared on a going concern basis.</p>	

The following accounting policy notes, recognised by the Charity SORP, are not relevant to Highfields Leisure Park Trust and will not be included in the Annual Report.

These are as follows:

1. pension costs and any pension asset or liability;
2. foreign exchange gains and losses;
3. treatment of exceptional items
4. treatment of finance and operating leases;
5. treatment of irrecoverable VAT.

Review of Harvey Hadden Stadium Trust Accounting Policies 2014/15

Accounting Policies 2013/14	Suggested Accounting Policies 2014/15 (amendments from 2013/14 in bold)	Charities: SORP 2005 (paragraph reference)
<p>General Principles</p> <p>The Annual Report summarises the Harvey Hadden Stadium transactions for 2012/13 financial year together with its financial position at 31 March 2013.</p> <p>This section explains the accounting policies applied in producing the Annual Report for the Harvey Hadden Stadium Trust.</p> <p>Accounting policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.</p>	<p>General Principles</p> <p>The Annual Report summarises the Harvey Hadden Stadium transactions for 2014/15 financial year together with its financial position at 31 March 2015.</p> <p>This section explains the accounting policies applied in producing the Annual Report for the Harvey Hadden Stadium Trust.</p> <p>Accounting policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.</p>	357
<p>Basis of preparation</p> <p>The accounts have been prepared in accordance with the Charities Act 2011 and applicable regulations and “Accounting and Reporting by Charities: Statement of Recommended Practice”, issued by the Charities Commission in February 2005 (The Charities SORP).</p> <p>The accounts have been prepared in accordance with the historic cost basis of accounting except for fixed assets which have been included at a notional amount.</p> <p>Compliance with the Charities SORP and the adoption of accounting standards and principles issued or adopted by the Accounting Standards Board ensures that the accounts show “a true and fair view” of transactions during the year and the financial position of the Harvey Hadden Stadium Trust at the year end.</p>	<p>Basis of preparation</p> <p>The accounts have been prepared in accordance with the Charities Act 2011 and applicable regulations and “Accounting and Reporting by Charities: Statement of Recommended Practice”, issued by the Charities Commission in February 2005 (The Charities SORP).</p> <p>The accounts have been prepared in accordance with the historic cost basis of accounting except for fixed assets which have been included at a notional amount.</p> <p>Compliance with the Charities SORP and the adoption of accounting standards and principles issued or adopted by the Accounting Standards Board ensures that the accounts show “a true and fair view” of transactions during the year and the financial position of the Harvey Hadden Stadium Trust at the year end.</p>	358

<p>Incoming Resources</p> <p>All receipts, for example rents, 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.</p> <p>Income from Nottingham City Council funds the net expenditure of the Harvey Hadden Stadium Trust for the benefit of the citizens of Nottingham.</p>	<p>Incoming Resources</p> <p>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.</p> <p>Nottingham City Council funds the net expenditure of the Harvey Hadden Stadium Trust for the benefit of the citizens of Nottingham.</p>	<p>362</p>
<p>Resources Expended</p> <p>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.</p> <p><u>Charitable Activities</u></p> <p>These costs mainly relate to premises expenses, which includes day to day maintenance, grounds maintenance and patrol.</p> <p><u>Governance Costs</u></p> <p>Governance costs include 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. Direct costs would include items such as audit fees. All other governance costs, including the administration of the trust are directly funded by the Council i.e. these costs are not shown in the trust accounts.</p>	<p>Resources Expended</p> <p>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.</p> <p><u>Charitable Activities</u></p> <p>These costs mainly relate to premises expenses, which includes day to day maintenance, grounds maintenance and patrol.</p> <p><u>Governance Costs</u></p> <p>Governance costs, including the administration of the trust are directly funded by the Council, and these costs are not shown in the trust accounts.</p>	<p>363</p>

<p>Fixed Assets</p> <p><u>Freehold land and buildings</u></p> <p>The valuation of assets is a notional value that reflects the trusts perpetual covenant for general public access to and use of the stadium.</p> <p>As a notional value is used, depreciation and impairment reviews are not applicable.</p>	<p>Fixed Assets</p> <p><u>Freehold land and buildings</u></p> <p>The valuation of assets is a notional value that reflects the trusts perpetual covenant for general public access to and use of the stadium.</p> <p>As a notional value is used, depreciation and impairment reviews are not applicable.</p>	<p>364</p>
<p>Accruals of Expenditure and Income</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Accruals of Expenditure and Income</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>	

<p>Cash</p> <p>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.</p>	<p>likely value.</p> <p>Cash</p> <p>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.</p>	
<p>Funds of the Charity</p> <p><u>Unrestricted fund</u></p> <p>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.</p>	<p>Funds of the Charity</p> <p><u>Unrestricted fund</u></p> <p>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.</p>	
<p>Going concern</p> <p>The Harvey Hadden Stadium Trust is considered a going concern for the foreseeable future.</p>	<p>Going Concern</p> <p>The Annual Report is prepared on a going concern basis.</p>	

The following accounting policy notes, recognised by the Charity SORP, are not relevant to Harvey Hadden Stadium Trust and will not be included in the Annual Report.

These are as follows:

1. pension costs and any pension asset or liability;
2. foreign exchange gains and losses;
3. treatment of exceptional items
4. treatment of finance and operating leases;
5. treatment of irrecoverable VAT.