

TRUSTS AND CHARITIES COMMITTEE – 11 SEPTEMBER 2015

| | | | |
|--|--|------------------------|-------------------------------------|
| Title of paper: | Bridge Estate Annual Report and Statement of Accounts 2014/15 | | |
| Director(s)/ Corporate Director(s): | Geoff Walker Director of Strategic Finance | Wards affected: | All |
| Report author(s) and contact details: | Barry Dryden, Senior Finance Manager Barry.dryden@nottinghamcity.gov.uk 0115 8762799 | | |
| Other colleagues who have provided input: | Thomas Straw, Finance Analyst | | |
| Date of consultation with Portfolio Holder(s) (if relevant) | | | |
| Relevant Council Plan Strategic Priority: | | | |
| Cutting unemployment by a quarter | | | <input type="checkbox"/> |
| Cut crime and anti-social behaviour | | | <input type="checkbox"/> |
| Ensure more school leavers get a job, training or further education than any other City | | | <input type="checkbox"/> |
| Your neighbourhood as clean as the City Centre | | | <input type="checkbox"/> |
| Help keep your energy bills down | | | <input type="checkbox"/> |
| Good access to public transport | | | <input type="checkbox"/> |
| Nottingham has a good mix of housing | | | <input type="checkbox"/> |
| Nottingham is a good place to do business, invest and create jobs | | | <input type="checkbox"/> |
| Nottingham offers a wide range of leisure activities, parks and sporting events | | | <input type="checkbox"/> |
| Support early intervention activities | | | <input type="checkbox"/> |
| Deliver effective, value for money services to our citizens | | | <input checked="" type="checkbox"/> |
| Summary of issues (including benefits to citizens/service users): | | | |
| An Annual Report and Statement of Accounts is required for the Bridge Estate Charity, for which the City Council (NCC) is the sole trustee. | | | |
| This report sets out the 2014/15 accounts for the Bridge Estate, which have been audited by Rogers Spencer, for approval by the Trustees. Following approval, the Chair of the Trustees and the Director of Strategic Finance are then required to sign the Statements to confirm that the Annual Report has been adopted. | | | |
| Recommendation(s): | | | |
| 1 | To approve the Bridge Estate Annual Report and Statement of Accounts for the financial year 2014/15 as in Appendix 1 ; | | |
| 2 | That the Bridge Estate makes a contribution of £1,504,028 to the City Council for pursuance of the Charity's objectives. | | |
| 3 | To approve the Letter of Representation included within the Audit Highlights Memorandum in Appendix 2 ; | | |

1. REASONS FOR RECOMMENDATIONS

There is a statutory requirement for charities to produce an Annual Report and Statement of Accounts (the Statements) and for those Statements to be audited or independently examined as appropriate, and submitted to the Charity Commission following approval by the Trustees.

Colleagues from NCC have produced the audited statements on behalf of the Trustees. Therefore, the Trustees need to review and approve the Statements provided at Appendix 1. To help the Trustees fulfil this requirement a financial analysis is provided in Section 2.

The Bridge Estate's Auditors, Rogers Spencer, have audited the Statements and have produced an audit report (Appendix 2) which provides further background for the Trustees to take into account when reviewing the Statements.

The Statements include a contribution of £1,504,028 to NCC. In previous years the contributions have been as follows:

| Year | Contribution £m |
|---------|--------------------|
| 2009/10 | 1.294 |
| 2010/11 | 1.237 |
| 2011/12 | 1.275 |
| 2012/13 | 1.484 |
| 2013/14 | 1.440 |

The contribution from the Bridge Estate has assisted the Council with the key priorities identified in the Council Plan, and therefore meets the Trust's objective of applying the residue of any income for the improvement of the City of Nottingham and the public benefit of its inhabitants. Therefore, the Trustees are requested to confirm the contribution of £1,504,028 to NCC.

Appendix I of the Audit Highlights Memorandum includes a draft Letter of Representation detailing certain information that the auditors require the Trustees to confirm. Any information relevant to the Letter of Representation has already been identified by colleagues when constructing the Statements and where necessary communicated to the auditors during the course of the audit.

2. FINANCIAL ANALYSIS

Public Benefit Statement

The Charities Act 2011 requires Trustees to provide a detailed explanation within the Statements of the significant activities undertaken in providing a public benefit, in accordance with the charity's aims for the public benefit. They are also required to explain the charity's achievements during the year in question.

The Statements include a public benefit statement and accounting policies which have already been approved by this Committee on the 27 February 2015.

Statement of Financial Activities

In 2014/15 the Bridge Estate increased its trading surplus by £131,471. This additional surplus was used to increase the contribution to NCC by £64,294, and the contribution Bridge Estate Reserves by £67,177.

This increase was a result of a number of factors:

- An increase in rental income (£63,145), which was primarily due to increased rental income at 34-38 Lister Gate.
- An increase in 'Other Recharges' (£15,411) due to additional service charges received during 14/15 in relation to Century House and Wheeler Gate properties.
- An decrease in 'Supplies and Services' costs (£17,526) as a result of a 13/14 transfer to the bad debt provision in relation to Whitemoor Avenue Units.

- A decrease in 'Premises Costs' (£54,611), due to large amount of 13/14 expenditure at Woolsthorpe Close.

Offset by:

- A decrease in 'Other Incoming Resources' (£47,464) due to the Bridge Estate receiving a one-off lease premium in 13/14.

Other smaller movements generated a net increase in the surplus of £28,242.

Balance Sheet

Overall the net assets of the charity increased by £1,298,900, due to the following movements on the balance sheet:

- A net increase in the value of Investment Assets as a result of the following:

| Details | Amount (£) |
|--|------------------|
| Increase in valuation of property assets | 1,103,847 |
| Woolsthorpe Close Capital Expenditure | 43,884 |
| Disposal of property at carrying value | (91,000) |
| Increase in valuation of Investments | 46,213 |
| Net Movement 14/15 | 1,102,944 |

- A small increase in net current assets (£188).
- A decrease in long term borrowing (£196,144), as a result of the repayment of principal in 2014/15 of the sum borrowed to help purchase Lister Gate.

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

The financial implications have been considered in the body of the report.

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

None

6. EQUALITY IMPACT ASSESSMENT

Has the equality impact been assessed?

Not needed (report does not contain proposals or financial decisions)

☒

No

☐

Yes – Equality Impact Assessment attached

☐

Due regard should be given to the equality implications identified in the EIA.

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

Financial accounts working papers

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

- 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