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**DEMOCRATIC AND ELECTORAL SERVICES**

Dealt with by: Democratic Services Switchboard: 01895 837200  
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My Ref: e-mail: democraticservices@southbucks.gov.uk  
Date: 17 September 2014 Direct Line: 01895 837225/837227

Dear Councillor

**AUDIT COMMITTEE – SUPPLEMENTARY AGENDA**

The next meeting of the Audit Committee will be held as follows:

**DATE: THURSDAY, 18TH SEPTEMBER, 2014**

**TIME: 6.00 PM**

**VENUE: ROOM 6, CAPSWOOD, OXFORD ROAD, DENHAM**

Only apologies for absence received prior to the meeting will be recorded.

Yours faithfully

Jim Burness

**Director of Resources**

To: The Audit Committee

Mr Hollis  
Mr Hardy  
Mr Anthony  
Mr Bradford  
Dr A Dhillon  
Mrs Wallis

**Audio/Visual Recording of Meetings**

Please note: This meeting might be filmed, photographed, audio-recorded or reported by a party other than South Bucks District Council for subsequent broadcast or publication.

If you do not wish to have your image/voice captured you should let the Chairman or Democratic Services Officer know before the start of the meeting.

If you have any questions about this please contact the Democratic Services Officer (members of the press please contact the Communications Officer)



### **Declarations of Interest**

Any Member attending the meeting is reminded of the requirement to declare if he/she has a personal interest in any item of business, as defined in the Code of Conduct. If that interest is a prejudicial interest as defined in the Code the Member should also withdraw from the meeting.

### **A G E N D A**

(Pages)

8. **Approval of Farnham Charitable Trust Accounts and consideration of External Auditors Results Report**

To consider supplementary report of the Director of Resources.

- (a) SUPPLEMENTARY REPORT ATTACHING THE EXTERNAL AUDITORS COMPLETION REPORT AND 3 APPENDICES **(1 - 44)**

The next meeting is due to take place on Thursday, 15 January 2015

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The majority of land at Farnham Park Golf Course and the Farnham Park Sports Fields were transferred to the Council under the Eton Rural District Council Act 1971. This Act obliges the Council to 'appropriate and use the hereditaments transferred to the Council ... under and by virtue of this Act for the maintenance and improvement of the physical well-being of persons resident in the rural district of Eton and adjoining areas by the provision of facilities for physical training and recreation and for promoting and encouraging all forms of recreational activities calculated to contribute to the health and physical well-being of such persons'. As such, any decisions made by the Council in relation to the use of these lands must be taken by members acting both as members of SBDC and as the corporate trustee for the charity in accordance with the charity objectives

<b>SUBJECT:</b>	<b>Farnham Park Charitable Trust - Annual Report and Accounts 2013/14</b>
<b>REPORT OF:</b>	<b>Officer Management Team - Director of Resources</b> <b>Prepared by - Head of Finance</b>

## 1. Purpose of Report

### 1.1 The purpose of this report is to:

- Receive the External Auditor's Audit Completion Report on the Farnham Park Charitable Trust Accounts, and
- Agree some consequential changes to the Farnham Park Charitable Trust Accounts.

## 2. Auditors' Report

### 2.1 Attached as Appendix A is the Audit Completion Report of the Trust's External Auditors (Mazars) for review.

## 3. Changes to the Accounts

### 3.1 The following changes have been made to the Accounts as a result of the Audit as follows:

- Additional explanation / clarification to be added to explain some of the figures.
- The loan from SBDC of £1.98m has been reclassified from a short term to a long term loan.
- The £150,000 grant from Sport Income has been classified as 'Restricted'.

### 3.2 An amended set of Accounts is attached as Appendix B. The changes are highlighted in red.

### 3.3 With regard to the £150,000 grant being reclassified. A copy of the grant award letter is attached as Appendix C. As this money has been given for the express purpose of assisting with the build of the new Clubhouse the opinion of the auditors is that this needs to be shown as 'restricted' income. It will be released over time to cover the depreciation charge on the new clubhouse.

- 3.4 The effect of this reclassification is that the 'unrestricted' funds are now negative. However the overall position has not changed in that the total 'Restricted' and 'Unrestricted' funds still total £130,000.
- 3.5 The negative balance on the 'unrestricted' fund may mean that the Charity Commission will request further information from the Trust on what plans we have to recover this situation. However as the Trust already has a recovery plan, based on the now completed redevelopment of the clubhouse, we would be able to respond positively to any such request.

**4. Recommendations**

- 4.1 The Audit Committee are recommended to Approve the Revised Annual Report and Accounts for 2013/14.
- 4.2 The chair of the Audit Committee signs the Annual Report and Accounts to signify the completion of the Charitable Trust's approval process.

Officer Contact:	Rodney Fincham 01895 837268 Email: Rodney.Fincham@southbucks.gov.uk
Background Papers:	

# Audit Completion Report

Farnham Park Sports Fields – year ended 31 Mar 2014

17 September 2014



Strictly private and confidential

Mazars LLP  
8 New Fields  
2 Stinsford Road  
Nuffield  
Poole  
Dorset  
BH17 0NF

The Trustee  
Farnham Park Sports Fields  
Council Offices  
Capswood Business Centre  
Oxford Road, Denham  
Bucks  
UB9 4LH

17 September 2014

**Audit Completion Report – Year ended 31 March 2014**

We are delighted to present our Audit Completion Report for the year ended 31 March 2014. The purpose of this document is to summarise our audit conclusions.

The scope of our work, including identified significant audit risks and areas of management judgement was outlined in our Audit Strategy Memorandum. We have reviewed our Audit Strategy Memorandum and concluded that the original significant audit risks and areas of management judgement remain.

We would like to express our thanks for the assistance of Rodney, Jenny and their teams during our audit.

If you would like to discuss any matters in more detail then please do not hesitate to contact me on 01202 688 420.

Yours faithfully



**David l'Anson**

Mazars LLP



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This document is to be regarded as confidential to Farnham Park Sports Fields. It has been prepared for the sole use of the Trustee. No responsibility is accepted to any other person in respect of the whole or part of its contents. Before this document, or any part of it, is disclosed to a third party, our written consent must first be obtained

# 01 Executive summary

## **Purpose of this document**

This document has been prepared to communicate the findings of our audit for the year ended 31 March 2014 to the Trustee of Farnham Park Sports Fields and forms the basis for discussion at the Audit Committee meeting on 18 September 2014.

Our communication with you is important to:

- Share information to assist both of us to fulfil our respective responsibilities;
- Provide you with constructive observations arising from the audit process;
- Ensure as part of the two-way communication process we, as external auditors, gain an understanding of your attitude and views in respect of the internal and external operational, financial, compliance and other risks facing Farnham Park Sports Fields;
- Receive feedback from yourselves as to the performance of the engagement team.

Section 3 sets out internal control recommendations and section 4 sets out audit misstatements; unadjusted misstatements total £682.

## **Principal conclusions and significant findings**

As outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards of Auditing (UK and Ireland) and means we focus on audit risks that we have assessed as resulting in a higher risk of material misstatement.

In section 3 of this report we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum of which the principal ones were:

- Going Concern;
- Management override of controls; and
- Revenue recognition.

## **Status and audit opinion**

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2014.

At the time of preparing this report, the following significant matters remain outstanding:

- Confirmation of the nature of the loan agreement between the Charity and SBDC and the classification of the outstanding balance in the financial statements
- Classification of the Sport England grant as restricted income
- Approval of the financial statements by the Corporate Trustee
- Letter of representation signed by the Corporate Trustee

At the time of issuing this report and subject to the satisfactory conclusion of the remaining audit work, we anticipate issuing an unqualified opinion, without modification, as set out in Appendix B.

# 02 Significant findings

Set out below are the significant findings from our audit. These findings include:

- our audit conclusions regarding the significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum;
- our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 5 we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year;
- Other significant matters discussed with management; and
- any significant difficulties we experienced during the audit.

## Significant risks and key areas of management judgement

### Management override of controls (Mandatory risk)

#### Description of the risk

In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.

#### How we addressed this risk

We addressed this risk through performing audit work over:

- Accounting estimates impacting amounts included in the financial statements;
- Consideration of identified significant transactions outside the normal course of business; and
- Journals recorded in the general ledger and other adjustments made in preparation of the financial statements.

#### Audit conclusion

From the work performed, we have not identified any incidences of management override of controls. Journals tested were considered reasonable and could be supported by documentation. The accounting estimates used by the entity are considered to be reasonable and not subject to undue bias or override by management.

## Revenue recognition (Mandatory risk)

### Description of the risk

There is a risk of fraud in the financial reporting relating to revenue recognition due to the potential to inappropriately record revenue in the wrong period. Due to there being a risk of fraud in revenue recognition we consider it to be a significant risk on all audits.

### How we addressed this risk

We reviewed a sample from each of the various income streams to ensure they had been appropriately recognised within the financial statements. Income was reviewed for any unusual transactions where there could be a manipulation of revenue and appropriate testing was performed.

### Audit conclusion

From the work performed we have not identified any instances of deliberate manipulation of revenue.

## Going concern

### Description of the area of management judgement

Farnham Park Sports Fields are currently showing a net current liability on the balance sheet and a negative net movement in funds on the SOFA. If guarantees are not made by South Buckinghamshire District Council to continue to support Farnham Park Sports Fields it is unlikely that the Charity's operations will be sustainable.

### How we addressed this area of management judgement

We addressed this risk by:

- Obtaining written confirmation from the Trustee of its intention to continue to support Farnham Park Sports Fields;
- We reviewed the financial performance of the Charity from the year end date to the date of our audit fieldwork to determine the likelihood of the carried forward funds reducing to zero.

### Audit conclusion

We received sufficient, appropriate evidence from management showing the future expectations of FPSF and compared them to prior results to determine the reliability of the budgets produced. From this work, the forecasts shown have been deemed to be reliable and show that the charity is expected to return to profitable conditions by 2015/16, although it may take a while longer before the balance sheet returns to a net asset position. We have seen written confirmation from South Bucks District Council as the sole corporate trustee confirming their intended, ongoing support for the charity and that a recovery plan would be put in place were FPSF's unrestricted funds ever to reduce to zero. It was also confirmed that were the charity unable to pay the interest on the loan facility, SBDC would not default.

## Other significant matters discussed with management

### Loan with SBDC

No formal loan agreement has been drawn up between the council and FPSF for the £1.98m loan provided for the redevelopment of the Golf Course Clubhouse. We have seen documentation of a loan proposal referring to that was agreed at a Cabinet on 7 February 2012, but this proposal has never been set out in a legal agreement, as the proposal said would happen.

The loan is currently being recognised in the balance sheet entirely as a current liability on management's assumption that as no formal agreement exists, the loan is effectively repayable on demand. As SBDC is Corporate Trustee and issuer of the loan, we request that SBDC confirms its understanding as to whether or not in substance the loan is given in line with the terms set out in the Proposal documentation and that the production of a legal agreement is a mere formality. Once an answer is received, the loan should be accounted for in accordance with this.

We await resolution of this matter before issuing our audit opinion.

### Grant income received from Sport England

Grant income of £150k received for the development of the clubhouse has been correctly recorded as income in the year, but is currently classified as unrestricted income. Our review of the grant terms have led us to conclude that the income is restricted in purpose, and should be disclosed as such. This amount is currently included in the Summary of Unadjusted Misstatements in Section 4. We do not consider this to be an immaterial adjustment, and should the Trustee approve the financial statements without adjustment being made we would need to consider the impact of this on our audit opinion.

We also note that the terms of the grant require ongoing reporting of the success of the redevelopment scheme to Sport England, and draw this to the Trustee's attention, although there is no indication that non-compliance with the information requirements would result in a request for the grant to be returned.

## Accounting policies and disclosures

We have reviewed Farnham Park Sports Fields's accounting policies and disclosures and concluded they comply with the Statement of Recommended Practice (SORP 2005), Accounting and Reporting by Charities, and with the Charities Act 2011.

## Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties and we have had the full co-operation of management.

# 03 Internal control recommendations

The purpose of our audit was to express an opinion on the financial statements. As part of our audit we have considered the internal controls in place relevant to the preparation of the financial statements in order to design audit procedures to allow us to express an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

The matters reported are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control we might have identified more deficiencies to be reported or concluded that some of the reported deficiencies need not in fact have been reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Our findings and recommendations are set out below. We have assigned priority rankings to each of them to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action. In summary, the matters arising fall into the following categories:

Priority ranking	Description	Number of issues
<b>1 (high)</b>	In our view, there is potential for financial loss, damage to reputation or loss of information. This may have implications for the achievement of business strategic objectives. The recommendation should be taken into consideration by management immediately.	Nil
<b>2 (medium)</b>	In our view, there is a need to strengthen internal control or enhance business efficiency. The recommendations should be actioned in the near future.	2 New 1 Old
<b>3 (low)</b>	In our view, internal control should be strengthened in these additional areas when practicable.	1 New

## Significant deficiencies in internal control – Level 1

No such items have been identified as part of our audit work.

## Other deficiencies in internal control – Level 2

### Description of deficiency

With the exception of Simon at the Golf Course, there is a lack of understanding from members of staff as to how the ESP system is used.

### Potential effects

There is a much greater risk of the system being manipulated without other members of staff having the appropriate ability to identify and action discrepancies, creating an over valuation and potential misappropriation of assets. The charity would also be left very vulnerable to inaccurate record keeping during periods of absence of if the knowledge was not transferred if the employee left.

### Recommendation

Training should be provided to all appropriate members of staff and a manual documented on how to operate the ESP system.

### Management response

### Description of deficiency

Council recharges are produced each year as part of the budget work based on calculations such as expected staff numbers, number of computers in use . However, there is currently no service agreement between the council and FPSF outlining the basis for these calculations and many recharges are based on estimations.

### Potential effects

Despite the recharges being made by the sole corporate trustee, this leaves the charity vulnerable to unexpected changes in the basis of recharges.

### Recommendation

A service agreement should be produced between South Bucks District Council and Farnham Park Sports Fields detailing the frequency and basis of calculations, as well as the procedures required to change these.

### Management response

## Previous internal controls points which are still relevant– Level 2

### Description of deficiency

Our audit testing in a number of areas identified expenses of both revenue and capital nature which should have been shown gross, however the expenses have been included net in the Charity's financial statements and the VAT has been reclaimed in error from HMRC by South Bucks District Council.

### Potential effects

VAT is reclaimed in error from HMRC by SBDC and expenditure is understated in the financial statements of the Charity

### Recommendation

The Charity should ensure that VAT is correctly treated on expenditure and that expenses related to the Charity are not included within Council VAT returns.

### Management response

## Other recommendations in internal control – Level 3

### Description of deficiency

One of the Basil Wyatt clubhouse construction invoices was approved and paid, however no interim certificate could be provided to support the invoice.

### Potential effects

Fraudulent, or overcharged, invoices may be approved without the appropriate scrutiny from authorising members of staff leaving the charity under greater exposure to incorrect expenditure.

### Recommendation

Staff should ensure that, where possible, sufficient evidence has been provided to support an invoice prior to its approval or payment.

### Management response



# 04 Summary of misstatements

We set out below the misstatements identified during the course of the audit, above the level of trivial, for adjustment. The first table outlines the misstatements that were identified during the course of our audit which management has assessed as not being material either individually or in aggregate to the financial statements and does not currently plan to adjust.

The second table outlines the misstatements that have been adjusted by management during the course of the audit.

Unadjusted Misstatements 2014					
	P&L		BS		Effect on overall result
	Dr	Cr	Dr	Cr	
	£	£	£	£	£
<b>Net outgoing resources before adjustments</b>					<b>(205,000)</b>
1 Cr Accruals and Deferred Income				682	
Dr Charitable Expenditure	682				(682)
Being the actual expenditure cut off error					
2 Cr Intangible Fixed Assets				2,000	
Dr Amounts owed to related parties			1,000		
Dr Endowment Funds B/F			1,000		0
Being an adjustment to correct the rounding errors on opening balances.					
3 Dr Assets under Construction			5,632		
Cr Amounts owed to related parties				5,632	0
Being VAT missed on an addition invoice					
4 Dr Unrestricted funds	150,000				0
Cr Restricted funds		150,000			
Being the reallocation of income grant to restricted funds					
<b>Revised profit after adjustments</b>					<b>(205,682)</b>

## Audit Adjustments 2014

	P&L		BS		Effect on overall result
	Dr	Cr	Dr	Cr	
	£	£	£	£	£
<b>Net outgoing resources before adjustments</b>					<b>(205,000)</b>
1 Cr Support Costs - Legal		6,134			
Cr Governance Costs - Legal		6,134			
Dr Support Costs - IT	4,089				
Dr Support Costs - Golf Course Cultural & Youth Services	4,089				
Dr Governance Costs - Cultural & Youth Services	4,090				0
Being the movement of legal recharges back to C&YS and IT - Legal					
2 Dr Assets under Construction			50,641		0
Cr Accruals				50,641	
Being the inclusion of cert 14 and portion of cert 15 to year end date					
3 Dr Assets under Construction			24,512		0
Cr Accruals				24,512	
Being the retention creditor missing from the clubhouse					
4 Dr Assets under Construction			34,367		0
Cr Accruals				34,367	
Being retention creditor missing for architect of clubhouse					
<b>Revised profit after adjustments</b>					<b>(205,000)</b>

# Appendix A – Draft management representation letter

Mazars LLP  
8 New Fields  
2 Stinsford Road, Nuffield  
Poole, Dorset, BH17 0NF

Date 18 September 2014

Dear Sirs

## **Farnham Park Sports Fields- audit for year ended 31 March 2014**

This representation letter is provided in connection with your audit of the financial statements for the year ended 31 March 2014 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the Charities Act 2006 and the Statement of Recommended Practice (SORP 2005), Accounting and Reporting for Charities.

We confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you.

**Our responsibility for the financial statements and accounting information** We believe that we have fulfilled our responsibilities, as set out in the audit engagement terms, for the true and fair presentation and preparation of the financial statements in accordance with the Charities Act 2006 and the Statement of Recommended Practice (SORP 2005), Accounting and Reporting for Charities.

## **Our responsibility to provide and disclose relevant information**

We have provided you with:

- access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the company you determined it was necessary to contact in order to obtain audit evidence.

We confirm as trustees that we have taken all the necessary steps to make us aware, as trustees, of any relevant audit information and to establish that you, as auditors, are aware of this information.

As far as we are aware there is no relevant audit information of which you, as auditors, are unaware.

## **Accounting records**

We confirm that all transactions undertaken by the company have been properly recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all management and shareholders' meetings, have been made available to you.

## **Accounting policies**

We confirm that we have reviewed the accounting policies applied during the year in accordance with the requirements of Charities Act 2006 and the Statement of Recommended Practice (SORP 2005), Accounting and Reporting for Charities and consider them appropriate for the year.

## **Accounting estimates, including those measured at fair value**

We confirm that any significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

### **Contingencies**

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the company have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with Charities Act 2006 and the Statement of Recommended Practice (SORP 2005), Accounting and Reporting for Charities.

### **Laws and regulations**

We confirm that we have disclosed to you all those events of which we are aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

We have complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

### **Fraud and error**

We acknowledge our responsibility as trustees of the company, for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

We have disclosed to you:

- all the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the entity involving:
- management and those charged with governance;
- employees who have significant roles in internal control; and
- others where fraud could have a material effect on the financial statements.

We have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

### **Related party transactions**

We confirm that all related party relationships, transactions and balances, (including sales, purchases, loans, transfers, leasing arrangements and guarantees) have been appropriately accounted for and disclosed in accordance with the requirements of Charities Act 2006 and the Statement of Recommended Practice (SORP 2005), Accounting and Reporting for Charities.

We have disclosed to you the identity of the company's related parties and all related party relationships and transactions of which we are aware.

### **Impairment review**

To the best of our knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the fixed assets and intangible assets below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

### **Charges on assets**

All the company's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

### **Future commitments**

We have no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

### **Subsequent events**

We confirm all events subsequent to the date of the financial statements and for which the Charities Act 2006 and the Statement of Recommended Practice (SORP 2005), Accounting and Reporting for Charities require adjustment or disclosure have been adjusted or disclosed.

Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, we will advise you accordingly.

### **Going concern**

To the best of our knowledge there is nothing to indicate that the company will not continue as a going concern in the foreseeable future. The period to which we have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

### **Cash Sales**

All sales transactions received by cash have been included within income in the financial statements.

### **Bank Balance**

There is no separate bank account for Farnham Park Sports Fields. The bank account is shared with South Bucks District Council. The bank balance shown in the financial statements is a true representation of the Charity's proportion of the monies.

### **Unadjusted misstatements**

We confirm that the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this letter as an Appendix.

Yours faithfully

Trustee .....

# Appendix B – Draft audit report

## Independent auditor's report to the members of Farnham Park Sports Fields

We have audited the financial statements of Farnham Park Sports Fields for the year ended 31 March 2014 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 3, the trustees are responsible for the preparation of the financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the charity's trustees as a body. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2014 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Mazars LLP, Chartered Accountants and Statutory Auditor

Address

Date

Mazars LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# Appendix C – Independence

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.





**FARNHAM PARK SPORTS FIELDS  
CHARITY NO 308164**

**Annual Report and Accounts**  
For the year ended 31 March 2014

# FARNHAM PARK SPORTS FIELDS CHARITY NO 308164

## Annual Report and Accounts For the year ended 31 March 2014

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# Trustee's Annual Report

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## Charity Details

Official charity name Farnham Park Sports Fields

Registered charity number 308164

Charity's principal address Council Offices  
Capswood Business Centre  
Oxford Road, Denham  
Bucks, UB9 4LH

Charity trustee South Bucks District Council is the sole Corporate Trustee

Principal Officers

Chief Executive	Alan Goodrum Chief Executive of South Bucks District Council
Treasurer	Jim Burness Director of Resources of South Bucks District Council
Operations Director	Bob Smith Director of Services of South Bucks District Council

Principal advisors External audit Mazars LLP, Poole Office

Financial and legal advice is provided by South Bucks District Council.

# Trustee's Annual Report

## Structure, Governance and Management

### Governing Document and how the Charitable Trust is Constituted

The Farnham Park Sports Fields Charity is governed by the Eton Rural District Council (ERDC) Act 1971.

Prior to the ERDC Act land and buildings at Farnham Park Sport Field (FPSF), and parts of the South Buckinghamshire Golf Course (FPGC) were controlled by the Farnham Park Recreational Trust, which was constituted by a conveyance dated 30th December 1946 between United Commercial Association Limited and the Trustees of the Trust.

The ERDC Act transferred these assets to Eton Rural District Council. South Bucks District Council (SBDC) is the successor in title to Eton Rural District Council, under provisions contained in the Local Government Act 1972.

The ERDC Act obliges SBDC to maintain and manage the transferred land in accordance with the purposes of the original trust (as substantially re-enacted in schedule 4 of the ERDC Act). These assets therefore form a charitable trust, with SBDC being the sole corporate trustee. Furthermore as the usage of these assets is subject to the restrictions contained within this Act, these assets represent a permanent endowment.

### Trustee Appointment

As South Bucks District Council is the sole Corporate Trustee, Members of SBDC act in a corporate capacity as trustees. There are no other charity trustees.

Members of SBDC are elected every 4 years and are provided with induction training after each election.

### Organisational Structure of the Charitable Trust

The Members of SBDC (acting as corporate trustee) make the strategic decisions relating to the operation of the facilities.

The day-to-day management is undertaken by council officers in line with approved guidelines.

### Relationship between the Charitable Trust and Related Parties

All financial, legal and operational support is provided by SBDC and this affects the Charitable Trust in the following ways:

- All staff who are involved in the Charitable Trust are employed by SBDC;
- All financial records are maintained within the SBDC financial system;
- The Charitable Trust does not have its own bank account; instead its funds are a part of the SBDC accounts.

### Risks

The Charitable Trust complies with the SBDC risk management strategy and the SBDC risk management policy. In particular risks relating to the Charitable Trust's activities are identified, evaluated and monitored in an appropriate risk register.

The main risk that the Charitable Trust faces is that its income is solely dependant on attracting people to use its facilities. It has to compete in a competitive market for leisure facilities and therefore has to ensure its facilities and prices are comparable to its competitors whilst still promoting its charitable objectives. Furthermore expenditure on leisure activities can be affected by external economic conditions and thus the Charitable Trust needs to be able to cope with and appropriately respond to changes in demand.

The nature of the Charitable Trust's facilities also means that there will periodically need to be significant investment to maintain / modernise the facilities in line with changing customer expectations. The Charitable Trust therefore needs to ensure that there is a long term robust business plan to ensure that it is able to continue to operate within the Charitable Trust's available resources over the long term.

## Objectives and Activities

### Objects of Charitable Trust

The objects of the Charitable Trust are set out in the ERDC Act and are as follows:

'The maintenance and improvement of the physical well-being of persons resident in the rural district of Eton and adjoining areas by the provision of facilities for physical training and recreation and for promoting and encouraging all forms of recreational activities calculated to contribute to the health and physical well-being of such persons.'

### Charitable Trust Aims

The Charitable Trust aims to maintain and improve the physical well-being of local residents by providing high quality, public sporting facilities at reasonable prices.

Specifically it:

- maintains the Farnham Park Sports Fields to enable clubs to let these facilities, and
- operates the South Buckinghamshire Golf Course on a pay and play basis.

### Objectives for Year

The key objectives for 2013/14 were:

1. To ensure that the facilities continue to provide value for money for users,
2. To ensure that the facilities operated within the Charitable Trust's available resources, and
3. To complete the redevelopment of the golf clubhouse.

### Strategies for Achieving Objectives

1. To ensure that the facilities provide value for money for users, the Charitable Trust aims to:
  - maintain the facilities to a high standard,
  - annually review its fees and charges to ensure that they remain competitive, and
  - offer discounted prices for under 18s, older people and those on low incomes.
2. To ensure that the facilities operate within the Charitable Trust's available resources, the Charitable Trust sets an annual budget and monitors this throughout the year, taking corrective action as necessary.
3. To ensure the redevelopment is completed the project will be carefully project managed.

### Public Benefit

Public Benefit is the legal requirement that every organisation set up for one or more charitable aims must be able to demonstrate that its aims are for the public benefit.

The Charitable Trust is aware of the Charity Commission's guidance on public benefit, and believes that the Charitable Trust's aims meet the two key public benefit principles which are set out in the Charity Commission guidance:

- Principle 1: There must be an identifiable benefit or benefits
- Principle 2: Benefit must be to the public, or a section of the public.

# Trustee's Annual Report

## Achievements and Performance

### Review of Activities Undertaken

The Farnham Park Sports Fields comprise full size rugby / football pitches, cricket squares, softball pitches, a baseball pitch and a children's playground. During 2013/14 the following organisations let some of these facilities:

- Beaconsfield SYCOB Youth FC
- Farnham Royal Rugby Club
- Phoenix Old Boys FC
- Farnham Royal Parish Council
- Taplow Boys FC
- Unity Martial Arts
- Baseballsoftball UK Limited
- Slough Town FC

The South Buckinghamshire Golf Course continues to be one of the finest pay and play public municipal 18 hole golf courses in the south of England. During 2013/14 33,633 rounds were played on the course (2012/13 29,980).

With regard to redeveloping the golf clubhouse facilities, the Charitable Trust agreed the final redevelopment proposal and works started on site at the beginning of December 2012. The first stage of the project was the construction of a new purpose built greenkeepers compound which offers excellent energy efficiency and high levels of security. The second stage was the construction of the new clubhouse. This was occupied from 7<sup>th</sup> April 2014. The redevelopment has been funded from a £1.98m loan from South Bucks District Council and a £150,000 grant from Sport England.

## Financial Review

### Review of Year

During 2013/14 the Charitable Trust generated income totalling £691,000 and spent £896,000 giving a net deficit for the year of £205,000. The table below compares the budget for the year with the actual expenditure, together with variances between the two.

	Budget	Actual	Variance (Act-LB)
	£'000	£'000	£'000
<b>Farnham Park Sports Fields</b>			
Income	53	42	-11
Expenditure	-57	-90	-33
Depreciation - Endowment Assets	-13	-8	5
Governance costs	-8	-8	-
	<u>-25</u>	<u>-64</u>	<u>-39</u>
<b>South Buckinghamshire Golf Course</b>			
Income *	550	649	99
Expenditure	-499	-508	-9
Depreciation - Intangible Assets	-	-3	-3
Depreciation - Equipment	-19	-25	-6
Depreciation - Endowment Assets **	-59	-229	-170
Governance costs	-25	-25	-
	<u>-52</u>	<u>-141</u>	<u>-89</u>
<b>Net Movement on Funds</b>	<u><b>-77</b></u>	<u><b>-205</b></u>	<u><b>-128</b></u>

\* This includes a £150,000 grant from Sport England to be used for the redevelopment of the clubhouse.

\*\* The additional in year depreciation is due to the trust redeveloping the clubhouse.

# Trustee's Annual Report

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Charitable Trust income comes from fees and charges paid by users of the facilities, and all charitable expenditure relates to providing sporting facilities to help maintain and improve the physical well-being of local residents.

During 2013/14 the Charitable Trust invested £2.0m in improving its facilities. This expenditure is accounted for as an addition to the Charitable Trust's fixed assets and is shown in note 10 to the Accounts.

## Reserve Policy - Unrestricted Fund

Nature of Reserve: The Unrestricted Fund represents the accumulated year on year surplus of (unrestricted) income over expenditure that has been accumulated by the Charitable Trust.

Minimum Value of Fund: The Charitable Trust aims to ensure that the charity operates within its means and therefore aims to ensure that it always holds a balance on its unrestricted funds sufficient to meet its known future commitments. In particular there is a need to hold a working balance to meet unexpected demands equivalent to at least 2 months budgeted running costs, which is equivalent to approximately £118,000. In addition it may be appropriate to build up a balance on the unrestricted funds to fund future projects.

The current Unrestricted Fund balance is minus £20,000. As in previous years the Charitable Trust continues to rely on the ongoing support of South Bucks District Council.

Usage: The unrestricted funds can be applied for any lawful purpose of the charitable trust.

## Reserve Policy - Endowment Fund

Nature of Reserve: The Endowment Fund represents the current value of the assets that were transferred under the ERDC Act.

Minimum Value of Fund: The value of the Endowment Fund will fluctuate with the value of the endowment assets.

Usage: Endowment funds cannot generally be spent, and thus changes to the value of the endowment reserve will only be due to changes in the value of the endowment assets.

## **Statement of Trustee's Responsibilities**

The trustee is required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income and expenditure of the charity for the year. In preparing those financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity will continue to operate.

The trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Trustee's Annual Report

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The trustee has taken all steps that it ought to have taken in order to make itself aware of any information relevant to the audit, establish that auditors are aware of that information and that there is no information relevant to the audit of which the trust's auditors are unaware.

## Plans for Future Periods

Looking ahead the Charitable Trust aims to continue to provide value for money facilities whilst operating within its available funds.

The Charitable Trust has now completed the redevelopment of the clubhouse facilities and these opened in April 2014. These should enable the Trust to secure and expand this area of its activities. In respect of the Trust's other assets it will continue to encourage community use and investment from the various organisations leasing facilities.

## Declaration

The Council acting as Corporate Trustee has given the SBDC Audit Committee the authority to review and approve the Charitable Trust's Accounts.

It is therefore declared that the SBDC Audit Committee, on behalf of the Charity, approved this Annual Report and the accompanying Accounts at their meeting on 18<sup>th</sup> September 2014.

Signature:

Position: Chair of Audit Committee

Date: 18 September 2014



## Statement of Financial Activities (SoFA)

This statement shows the income and expenditure of the Charitable Trust during the year and the accumulated funds at the Charitable Trust's disposal. All operations are continuing.

Notes	2013/14 Unrestricted Funds £'000	2013/14 Restricted Funds £'000	2013/14 Endowment Funds £'000	2013/14 Total Funds £'000	2012/13 Total Funds £'000
<b>Incoming resources</b>					
2	-	150	-	150	-
	Incoming resources from charitable activities				
	42	-	-	42	59
	499	-	-	499	392
	<b>541</b>	<b>150</b>	<b>-</b>	<b>691</b>	<b>451</b>
<b>3-8 Resources expended</b>					
	Charitable activities				
	-90	-	-	-90	-75
	-508	-	-	-508	-493
	-3	-	-	-3	-3
	-25	-	-237	-262	-327
	-33	-	-	-33	-60
	<b>-659</b>	<b>-</b>	<b>-237</b>	<b>-896</b>	<b>-958</b>
	<b>-118</b>	<b>150</b>	<b>-237</b>	<b>-205</b>	<b>-507</b>
<b>Net (outgoing) resources before transfers</b>					
Gross transfers between funds					
10	-21	-	21	-	-
	<b>-139</b>	<b>150</b>	<b>-216</b>	<b>-205</b>	<b>-507</b>
<b>Net (outgoing) resources before other recognised gains / (losses)</b>					
<b>Other recognised gains / (losses)</b>					
	-	-	-	-	451
	<b>-139</b>	<b>150</b>	<b>-216</b>	<b>-205</b>	<b>-56</b>
<b>Net movement on funds</b>					
	119	-	1,678	1,797	1,853
	<b>-20</b>	<b>150</b>	<b>1,462</b>	<b>1,592</b>	<b>1,797</b>
<b>Total funds carried forward</b>					

\* The 2013/14 historical cost depreciation on the endowment funds would have been £208,000 if the tangible fixed assets had been carried at historical cost less depreciation.

## Balance Sheet

This statement shows the assets and liabilities of the Charitable Trust and the balances and reserves at the Charitable Trust's disposal.

Notes	At 31 March 2014 Unrestricted & Restricted Funds £'000	At 31 March 2014 Endowment Funds £'000	At 31 March 2014 Total Funds £'000	At 31 March 2013 Total Fund s £'000	
	<b>Fixed Assets</b>				
9	Intangible Assets - software	7	-	7	10
10	Tangible Assets	2,768	1,462	4,230	2,478
		2,775	1,462	4,237	2,488
	<b>Current Assets</b>				
	Stock and work in progress	32	-	32	49
11	Debtors	9	-	9	12
		41	-	41	61
	<b>Current Liabilities</b>				
12	Creditors: Amounts due within 1 year	-127	-	-127	-181
	Amount due to related party (SBDC)	-579	-	-579	-571
13	Loan from South Bucks District Council	-99	-	-99	-
		-805	-	-805	-752
	Net Current Assets or Liabilities	-764	-	-764	-691
13	Loan from South Bucks District Council	-1,881	-	-1,881	-
	Total Assets less Current Liabilities	130	1,462	1,592	1,797
	<b>Net Assets</b>	130	1,462	1,592	1,797
	Unrestricted Fund	-20	-	-20	119
	Restricted Fund	150	-	150	-
14	Endowment Fund	-	1,462	1,462	1,678
	<b>Total Funds</b>	130	1,462	1,592	1,797

Signed on behalf of the charity trustee

Signature:

Position: Chair of Audit Committee

Date: 18 September 2014

# Notes to the Accounts

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## 1. Statement of Accounting Policies

### Basis of Accounting

These Accounts have been prepared on the basis of historic cost modified by the revaluation of certain categories of tangible fixed assets in accordance with:

- Accounting and Reporting by Charities - Statement of Recommended Practice (SORP 2005), and
- with Accounting Standards, and
- with the Charities Act 2011.

There has been no change to the accounting policies (valuation rules and methods of accounting) since last year.

No changes have been made to accounts for previous years.

### Incoming Resources

Recognition of incoming resources	These are included in the Statement of Financial Activities (SoFA) when: <ul style="list-style-type: none"><li>- the Charitable Trust becomes entitled to the resources;</li><li>- the Trustees are virtually certain they will receive the resources; and</li><li>- the monetary value can be measured with sufficient reliability.</li></ul>
Incoming resources with related expenditure	Where incoming resources have related expenditure (as with fundraising or contract income) the incoming resources and related expenditure are reported gross in the SoFA.
Grants and donations	Grants and donations are only included in the SoFA when the Charitable Trust has unconditional entitlement to the resources.
Tax reclaims on donations and gifts	Incoming resources from tax reclaims are included in the SoFA at the same time as the gift to which they relate.
Contractual income and performance related grant	This is only included in the SoFA once the related goods or services have been delivered.
Gifts in kind	Gifts in kind are accounted for at a reasonable estimate of their value to the Charitable Trust or the amount actually realised.  Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the Charitable Trust.  Gifts in kind for use by the Charitable Trust are included in the SoFA as incoming resources when receivable.
Donated services and facilities	These are only included in incoming resources (with an equivalent amount in resources expended) where the benefit to the Charitable Trust is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated value to the Charitable Trust of the service or facility received.
Volunteer help	The value of any voluntary help received is not included in the accounts but is described in the trustees' annual report.
Investment income	This is included in the accounts when receivable.
Investment gains and losses	This includes any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

# Notes to the Accounts

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## Expenditure and Liabilities

Liability recognition	Liabilities are recognised as soon as there is a legal or constructive obligation committing the Charitable Trust to pay out resources.
Governance costs	Includes costs of the preparation and examination of statutory accounts, the costs of trustee meetings and cost of any legal advice to trustees on governance or constitutional matters.
Grants with performance conditions	Where the Charitable Trust gives a grant with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.
Grants payable without performance conditions	These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the Charitable Trust.
Pension Contributions	The Charitable Trust operates a defined benefits pension scheme. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to the Charitable Trust. Therefore, as required by FRS17 'Retirement benefits', the Charitable Trust accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of Financial Activities (SoFA) represents contributions payable to the scheme in respect of the accounting period.
Support Costs	Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, eg allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

## Assets

Intangible fixed assets for use by the Charitable Trust	<p>These are capitalised if they can be used for more than one year, and cost at least £500.</p> <p>Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use.</p>
Tangible fixed assets for use by the Charitable Trust	<p>These are capitalised if they can be used for more than one year, and cost at least £500.</p> <p>Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use.</p> <p>Land and Building assets are then carried in the balance sheet at open market value in existing use.</p> <p>Assets included in the balance sheet at current value are revalued where there have been material changes in the value, but as a minimum every five years.</p>

## Notes to the Accounts

Investments Investments quoted on a recognised stock exchange are valued at market value at the year end. Other investment assets are included at Trustees' best estimate of market value.

Stocks and work in progress These are valued at the lower of cost or market value.

### VAT

The Charitable Trust is able to exempt from VAT any charges it makes to individuals of services closely linked with and essential to sport, per the VAT Act 1994, Schedule 9, Group 10, Item 3. This includes green fees.

As a consequence VAT payable is it is not generally recoverable from Her Majesty's Revenue and Customs, and is included as an expense when appropriate.

### Going Concern

As Corporate Trustee, SBDC has a duty to ensure that the Trust operates within its available resources. If the Trust were ever to run out of unrestricted funds, then SBDC as corporate Trustee would need to put in place a recovery plan which could include supporting the Trust financially.

### 2. Voluntary Income

A grant of £150,000 was received from Sport England to be used for the redevelopment of the clubhouse.

### 3. Analysis of Costs

Charitable Expenditure	Sports	Golf	2013/14	2012/13
	Field	Course	Total	Total
	£'000	£'000	£'000	£'000
Employees	-	228	228	208
Premises	63	58	121	96
Transport	-	27	27	30
Supplies & Services	5	107	112	93
Third Party Payments	-	3	3	14
Support Costs				
Personnel & Training	-	12	12	12
Finance	2	10	12	18
ICT	-	28	28	26
Legal	-	-	-	8
Property & Contract Services	17	24	41	39
Cultural & Youth Services	3	11	14	24
	90	508	598	568

Governance Costs	2013/14	2012/13
	Total	Total
	£'000	£'000
Internal and External Audit Fees	7	10
Finance	12	18
Legal	-	8
Cultural & Youth Services	14	24
	33	60

## Notes to the Accounts

Governance costs are those costs that are associated with the general running of the Charitable Trust, as opposed to those costs associated with specific charitable activity. Governance costs include: internal and external audit; legal advice for trustees; the cost of preparing statutory accounts; and costs associated with strategic management.

### 4. Trustee Expenses

Any expenses claimed by Members are paid by SBDC rather than the Charitable Trust.

### 5. Audit Costs

The Charitable Trust incurred the following fees relating to external audit. This note is prepared based on the fee payable for the audit work related to those years' Accounts, as opposed to what has actually been paid in the year.

	2013/14 £'000	2012/13 £'000
Auditors' fees for reporting on the accounts	7	7
Other fees paid to the independent auditor	-	-
	<u>7</u>	<u>7</u>

### 6. Paid Employees

There are 19 staff who work at the Farnham Park Sports Fields and the South Buckinghamshire Golf Course. These staff also work at the Academy Golf Course - which is owned by South Bucks District Council (SBDC) and the cost of these staff is therefore apportioned between the Trust and SBDC.

	2013/14 £'000	2012/13 £'000
Basic pay	167	160
National insurance	14	13
Pension costs	17	16
Other employee costs	30	19
	<u>228</u>	<u>208</u>

No employee earns more than £60,000 a year.

In addition as SBDC provides support services to the Trust, a number of other SBDC employees also provide support to the Trust. None of these support staff spend more than 50% of their time on supporting the Trust and they have therefore been excluded from the analysis above.

The Trust terminated the contract of 1 employee in 2013/14 at a cost of less than £10,000.

## Notes to the Accounts

### 7. Pensions

As part of the terms and conditions of employment of its officers, the Charitable Trust makes contributions towards the cost of post-employment benefits (ie pensions).

The Charitable Trust participates in the Local Government Pension Scheme which is administered by Bucks County Council. This scheme is a defined benefit scheme based on final pensionable salary.

It is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to the Charitable Trust.

The pension cost charge represents contributions payable by the Charitable Trust to the fund and amounted to £17,000 (2012/13 £16,000).

There were no outstanding contributions payable to the fund as at 31 March 2014 (31 March 2013 Nil).

Contributions of £40,000 are estimated to be payable in the year ended 31 March 2015. This is more than in the current year, as more staff are anticipated to join the pension scheme in 2014/15.

### 8. Grant Making

The Charitable Trust did not make any grants / donations in 2013/14 (2012/13 nil).

### 9. Intangible Fixed Assets - Software

	2013/14 £'000	2012/13 £'000
<b>Valuation</b>		
Balance brought forward	13	13
Additions	-	-
Disposals	-	-
Balance carried forward	13	13
<b>Accumulated Depreciation and Impairment Provisions</b>		
Balance brought forward	3	-
Depreciation charge for year	3	3
Disposals	-	-
Balance carried forward	6	3
<b>Net Book Value</b>		
Brought forward	10	13
Carried forward	7	10

We depreciate intangible assets using the straight-line method over a period of up to 4 years after the year of expenditure

# Notes to the Accounts

## 10. Tangible Fixed Assets

	Freehold Land Sports Fields £'000 PE	Freehold Buildings Sports Fields £'000 PE	Freehold Buildings Sports Fields £'000	Freehold Land Golf Course £'000 PE	Freehold Buildings Golf Course £'000 PE	Asset Under Con- struction £'000	Vehicles Equip't and IT Systems £'000	Total  £'000
<b>Valuation</b>								
Balance b/f	327	273	-	850	975	741	204	3,370
Additions	-	12	-	8	-	1,923	70	2,013
Transfers	-	-	420	-	-	-420	-	-
Disposals	-	-	-	-	-177	-	-	-177
Balance c/f	327	285	420	858	798	2,244	274	5,206

### Accumulated Depreciation and Impairment Provisions

Balance b/f	-	-	-	-	747	-	145	892
Depreciation charge	-	8	-	-	228	-	25	261
Disposals	-	-	-	-	-177	-	-	-177
Balance c/f	-	8	-	-	798	-	170	976

### Net Book Value

Brought forward	327	273	-	850	228	741	59	2,478
Carried forward	327	277	420	858	-	2,224	104	4,230

PE - These assets are part of the Charitable Trust's permanent endowment.

### Valuation

The land and buildings at the Farnham Park Sport Field and the land at the Golf Course were independently valued by an external valuer as at 31 March 2013 in accordance with the Appraisal and Valuation Manual issued by The Royal Institute of Chartered Surveyors (RICS). Certificates of valuation were issued by Kempton Carr Croft of Chatworth House, 29 Broadway, Maidenhead, Berkshire, SL6 1LY.

The golf course buildings were not revalued as the clubhouse redevelopment will result in these being demolished within the next accounting period. They are therefore still valued based on the valuations as at 1 April 2008 as issued by Paul Coombe FRICS of Yule Peterson Coombe (East), Little Woodcote, Grange Drive, Wooburn Green, Bucks.

Properties have been valued on the basis of market value for existing use. Plant and machinery that form an integral part of the property is included in the valuation of the building.

Depreciation is provided on all fixed assets with a finite useful life in accordance with FRS 15 as follows:

Land	Not depreciated.
Buildings	Using the straight-line method over the useful life of the asset after the year of expenditure. <b>These range from 20 to 60 years.</b>
Fixtures & Fittings	Using the straight-line method over a period of 10 years after the year of expenditure.
Vehicles, equipment and IT Systems	Using the straight-line method over a period of up to 5 years after the year of expenditure.



## Notes to the Accounts

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### Security over Assets

None of the assets of the Charitable Trust have been used as security for any loan, overdraft or other credit arrangement.

### Capital Commitments

£59,000 is due in relation to capital contracts as at 31 March 2014.

### Investment in Fixed Endowment Assets

During 2013/14 the Trust incurred expenditure of £21,000 on the Land and Buildings that are held as a Permanent Endowment (PE). This represents a net investment in these assets and there is therefore a corresponding transfer of resources from the unrestricted fund to the endowment fund in the Statement of Financial Activities (SOFA).

### Historical Cost

The following table shows the carrying amount that would have been included in the financial statements had the tangible fixed assets been carried at historical cost less depreciation.

	Cost	Depreciation	Historical Net Book Value
	£'000	£'000	£'000
Freehold Land Sports Fields	226	-	226
Freehold Buildings Sports Fields	339	115	224
Freehold Land Golf Course	833	-	833
Freehold Buildings Golf Course	2,601	967	1,634
	<b>3,999</b>	<b>1,082</b>	<b>2,917</b>

Note: The historical cost figures originate from 1st April 2006 which is when the Trust Accounts were first formally produced.

### Leases

The charitable Trust leases a number of the buildings and sports pitches at the Farnham Park Sports Fields to clubs. Most of these leases are for under 5 years.

However in March 2012 a 21 year lease (with a 10 year break clause) was granted by the Charity to Baseballsoftball UK Limited to enable them to convert a parcel of unused land into a full sized baseball pitch and two softball pitches.

It is not practicable to determine the net book value of the various assets that are leased out.

## Notes to the Accounts

The future minimum lease payments due under the lease are:

	At 31 March 2014 £'000	At 31 March 2013 £'000
Not later than one year	34	33
Later than one year not later than five years	63	80
Later than five years	42	41
	<b>139</b>	<b>154</b>

The income credited to the Comprehensive Income and Expenditure Statement during to the year in relation to these leases was:

	2013/14 £'000	2012/13 £'000
Minimum lease payments	34	35
Contingent rents	-	-
	<b>34</b>	<b>35</b>

### 11. Debtors and Prepayments - Amounts Falling Due Within 1 Year

	At 31 March 2014 £'000	At 31 March 2013 £'000
Amounts due for rent of facilities	9	12
Prepayments and accrued income	-	-
	<b>9</b>	<b>12</b>

### 12. Creditors and Accruals - Amounts Falling Due Within 1 Year

	At 31 March 2014 £'000	At 31 March 2013 £'000
Trade creditors	115	170
Audit fee	7	7
Prepayment of season tickets	5	4
	<b>127</b>	<b>181</b>

## 13. Loan from South Bucks District Council

The clubhouse redevelopment has primarily been funded from an unsecured £1.98m loan from South Bucks District Council. This will be repaid over the next 20 years. The interest rate charged is to be based on the Public Works Loan Board (PWLB) variable annuity rate published for 1<sup>st</sup> April each year.

The principal payments due under the loan are as follows:

	At 31 March 2014 £'000
Not later than one year	99
Later than one year not later than five years	396
Later than five years	1,485
	1,980

## 14. Endowment and Restricted Income Funds

The Farnham Park Sports Fields Charity is governed by the Eton Rural District Council Act 1971. This Act transferred to SBDC land and buildings at Farnham Park Sport Field, and parts of South Buckinghamshire Golf Course, and the usage of these assets is subject to the restrictions contained within that Act. These assets therefore represent a permanent endowment.

## 15. Related Party Transactions

The Charitable Trust is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Charitable Trust, or to be controlled or influenced by the Charitable Trust. Disclosure of these transactions allows readers to assess the extent to which the Charitable Trust might have been constrained in its ability to operate independently, or might have secured the ability to limit another party's ability to bargain freely with the Charitable Trust.

The Eton Rural District Council Act 1971 transferred the Charitable Assets to Eton Rural District Council. SBDC is the successor in title to Eton Rural District Council, under provisions contained in the Local Government Act 1972. As such the charitable activities form part of the activities of SBDC.

Members of SBDC have direct control over the Charitable Trust's financial and operational policies and senior officers of the Council have control over the day-to-day management of the Charitable Trust. However any actions taken are required to comply with the Charitable Trust's objectives and procedurally must follow the Council's constitution, financial and contract procedure rules, and codes of conduct.

Assisted organisations. The Charitable Trust did not provide any material assistance to any organisations that comprised more than 50% of their funding, on terms that gave the Charitable Trust effective control over their operations.

Companies and joint ventures. The Charitable Trust does not have any interests in companies outside of its normal contractual arrangements.

# Notes to the Accounts

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## 16. Contingent Assets and Liabilities

### Contingent Assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within Charitable Trust's control.

For the 2013/14 accounts there are no contingent assets to disclose.

### Contingent Liabilities

A contingent liability is either:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Charitable Trust's control, or
- a present obligation that arises from past events but is not recognised because:
  - (i) it is not probable that a transfer of economic benefits will be required to settle the obligation, or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability.

For the 2013/14 accounts there are no contingent liabilities to disclose.

## 17. Events after the Balance Sheet Date

Events arising after the balance sheet date should be reflected in the Statement of Accounts if they provide additional evidence of conditions that existed at the balance sheet date and materially affect the amounts to be included (adjusting events).

For the 2013/14 accounts there are no significant adjusting events to disclose.

Similarly events which arise after the balance sheet date and concern conditions which did not exist at that time should be detailed in the notes if they are of such materiality that their disclosure is required for the fair presentation of the financial statements (non adjusting events).

For the 2013/14 accounts there are no significant non-adjusting events to disclose.

# Independent auditor's report to the trustee of Farnham Park Sports Fields

To be added later

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29 June 2012

URN: 2012002693 (your unique reference number should be quoted in all communications)

Mrs L Trigwell  
Head of Community  
South Bucks District Council  
Capswood Business Centre  
Oxford Road  
Denham  
UXBRIDGE  
UB9 4LH

Dear Mrs Trigwell

### Award Offer Letter

I am delighted to inform you that, subject to the terms and conditions set out in this Letter and attached Award Agreement, Sport England would like to offer to grant South Bucks District Council an Award of £150,000 towards a total project cost of £2,130,650 for the development of your Project (Farnham Park Golf Course Clubhouse Redevelopment).

As you know, this Award is part of our Places People Play legacy programme, which is being delivered by Sport England, in partnership with the British Olympic Association (BOA) and the British Paralympic Association (BPA) with the backing of the London Organising Committee of Olympic and Paralympic Games (LOCOG).

You can only use this Award to finance your Project. We will not be able to increase the amount of the Award.

Please find enclosed the following documents explaining the full details of your Award Offer, all of which you should read carefully before you accept this offer:

- + Award Agreement
- + Standard Terms and Conditions
- + Forms to return to us

On behalf of Sport England, I would like to offer my congratulations to you and everyone involved in your Project. This is our contribution towards the sporting legacy for your community of the London 2012 Olympic and Paralympic Games.

Yours sincerely



Alison Selfe  
Strategic Lead Grants Management  
Sport England

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