

SUBJECT:	FARNHAM PARK CHARITY – OUTTURN & ACCOUNTS 2017/18
REPORT OF:	Director of Resources
RESPONSIBLE OFFICER	Director of Resources Jim Burness email jim.burness@southbucks.gov.uk
WARD/S AFFECTED	N/a

1. Purpose of Report

- 1.1 To provide Members with information about the financial outturn for the Charity's activities in 2017/18, and to formally present the Charity's financial accounts for the year.

RECOMMENDATIONS

1. The Panel notes this report.

2. The Audit & Standards Committee considers the report and formally approves the 2017/18 Accounts.

2. 2017/18 Financial Outturn

- 2.1 The financial outturn for the Charity's activities is summarised in the following table.

	2017/18			2016/17
	Budget	Actual	Variance	Variance
			(Act-LB)	
	£'000	£'000	£'000	£'000
Farnham Park Sports Fields				
Income	81	74	-7	-26
Expenditure	-164	-183	-19	44
Depreciation	-11	-10	1	2
	-94	-119	-25	20
South Buckinghamshire Golf				
Income	649	585	-64	-98
Expenditure	-548	-532	16	63
Depreciation	-73	-82	-9	-9
	28	-29	-57	-44
South Buckinghamshire Catering				
Income	287	254	-33	-22
Expenditure	-311	-323	-12	13
Depreciation	-	-2	-2	-2
	-24	-71	-47	-11
Total	-90	-219	-129	-35

2.2 The main points to note are as follows.

- The overall deficit for the year £219k was £129k higher than budgeted.
- Golf was significantly affected by the weather during parts of the year which resulted in a deficit on this area. Between December and March the course was subject to 25 unplanned full days of closure and another 12 days when only 9 holes were playable.
- The catering service returned a deficit of £71k, which was £47k more than budgeted. This is also largely due to the adverse weather experienced in the latter part of the financial year.
- Green fee income between December and March averages to about £665 per day and average daily bar and catering income is £600 per day. Lost income has been approximated at £36,000.
- The main element of the deficit arises from the Playing Fields. The income from users of the facilities falls significantly short of covering the costs. Options for the future of the Playing Fields have been considered, and there is a commitment to maintain the site for leisure purposes and to make the operation more sustainable. Work is in hand to look at how any improvements to the playing fields could be funded
- The depreciation charge was higher than budgeted as the Trust had purchased new air conditioning units and grounds maintenance equipment in 2016/17. The first depreciation charge was made in 2017/18 which was not budgeted for due to the timing of the asset purchases.

2.3 The following table shows the number of rounds played in 2017/18 compared to the two previous years. Overall the number of rounds was 1,198 (3.5%) less than the previous year.

	Number of rounds		
	2015/16	2016/17	2017/18
Apr	3,826	3,184	3,411
May	3,761	3,756	3,540
June	4,211	3,268	3,685
July	3,915	3,867	3,778
August	4,006	4,520	4,001
September	3,152	3,300	3,420
October	2,931	2,628	2,824
November	2,027	2,037	2,245
December	1,919	1,877	1,244
January	1,291	1,650	1,597
February	1,903	1,813	1,658
March	2,068	2,244	1,543
Total	35,010	34,144	32,946

3. Charity Accounts 2017/18

3.1 Appendix A sets out the Charity's accounts for 2017/18. The overall movement in the Trust's reserves during the year is summarised in the following table.

2017/18 Movement of Reserves

	Un-restricted Funds £'000	Restricted Funds (1) £'000	Endowment Fund (2) £'000	Total £'000
Balance 1 April 2017	-389	318	1,448	1,377
In year movement	-169	-40	-10	-219
Balance 31 March 2018	-558	278	1,438	1,158

(1) *The restricted funds arise from the Sport England donation in 2014 which are being applied to cover depreciation on the new Clubhouse, and £247k capital receipt from disposal of Farm Cottages in 1998/99.*

(2) *The Endowment Funds represent the current value of the assets that were originally transferred to the Trust. These cannot be spent.*

3.2 The Accounts are required to make a statement regarding the Charity as a going concern. The basis of the statement is that the Charity is seen by the Council as a key delivery vehicle for providing leisure facilities for the area. As the Accounts show the current financial losses of the Charity largely relate to the Playing Fields. The Council has identified these as being an underperforming asset and is currently undertaking an options analysis for the Playing Fields with the aims of improving service and usage and making them financial sustainable.

4. Next Steps

4.1 Once the external audit of the Annual Report and Accounts has been completed and the external audit opinion provided, these will be presented to the Audit & Standards Committee for formal approval.

Background Papers:	None
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