



Audit and Standards Committee

Tuesday, 14 January 2020 at 6.00 pm

Room 6, Capswood, Oxford Road, Denham

A G E N D A

Item

1. Evacuation Procedure
2. Apologies for Absence
3. Minutes (*Pages 3 - 8*)

To approve the minutes of the Audit and Standards Committee held on 23 October 2019.
4. Declarations of Interest
5. Standards Work Programme (*Pages 9 - 10*)

To agree the Standards work programme.
6. Internal Audit - Interim Progress Report (*Pages 11 - 20*)
7. ~~External Audit - Certification of Claims & Returns Annual Report (*To Follow*)~~
No longer required
8. Farnham Park Charity - Outturn and Accounts 2018/19 (*Pages 21 - 24*)

Appendix - Farnham Park Sports Fields Charity Annual Report and Accounts 2018/19 (Pages 25 - 48)

9. Audit Work Programme (*Pages 49 - 50*)

To agree the Audit work programme of the Committee.

10. Exclusion of the Public (if required)

That under Section 100A(4) of the Local Government Act 1974 the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act

Note: All reports will be updated orally at the meeting if appropriate and may be supplemented by additional reports at the Chairman's discretion.

Membership: Audit and Standards Committee

Councillors: D Anthony (Chairman)
G Hollis (Vice-Chairman)
P Griffin
L Hazell
P Hogan
R Sangster

Independent T Dobson
Persons: G Hopkins

Date of next meeting – Thursday, 19 March 2020

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AUDIT AND STANDARDS COMMITTEE

Meeting - 23 October 2019

Present: D Anthony (Chairman)
P Griffin and L Hazell

Apologies for absence: G Hollis, P Hogan and R Sangster

15. MINUTES

The minutes of the Audit and Standards Committee held on 10 July 2019 were approved as a correct record to be signed by Councillor Hollis who chaired the meeting.

16. DECLARATIONS OF INTEREST

There were no declarations of interest.

17. ANNUAL REVIEW OF CODE OF CONDUCT AND COMPLAINTS PROCEDURE

The Committee considered a report which considered whether the code of conduct and complaints procedures adopted by the Council in accordance with the Localism Act in 2011, remained fit for purpose.

The Committee was advised that the Code of Conduct, attached as Appendix 1, was first adopted by the Council in July 2012. At the meeting on 10 July 2019 the Audit Committee agreed to recommend to Full Council on 19 November 2019 that paragraph 8 of the current Code of Conduct be amended to remove the reference to Policy Advisory Groups.

The Council's current Complaints Procedure was reviewed and revised by the Committee in September 2017 and was attached as Appendix 2. Members were advised that the Monitoring Officer has received three formal complaints in the current financial year which were proceeding through Stages 1 and 2 of the procedure. Members noted that the Monitoring Officer was satisfied that the procedure remains fit for purpose.

RESOLVED

- 1 That the report be noted and no changes should be made to the Council's current code of conduct and complaints procedure.
- 2 That the recommendations agreed at the meeting on 10 July 2019 for paragraph 8 of the Code of Conduct to be amended to remove the reference to Policy Advisory Groups would be reported to Full Council on 19 November 2019.

18. COMMITTEE ON STANDARDS IN PUBLIC LIFE ANNUAL REPORT

The Committee considered the Committee on Standards in Public Life (CSPL) Annual Report for 2018-19.

The CSPL is an independent advisory, non-departmental body which advises the Prime Minister on ethical standards across the whole of public life in England. It monitors and reports on issues relating to the standards of conduct of all public office holders including members of local authorities. The CSPL publishes an annual report and an extract from its 2018 -19 report was attached as an appendix. This contained the Forward by the Chairman, an overview of work undertaken during the year and the Committee's current work plan.

RESOLVED that the report be noted.

19. STANDARDS WORK PROGRAMME

The Committee received the Standards Work Programme.

RESOLVED that the Standards Work Programme be agreed.

20. ANNUAL FRAUD REPORT 2018/19

The Committee considered a report which detailed the anti-fraud and error reduction activity undertaken in 2018/19 in relation to Housing Benefit, Council Tax and Housing. The Revenues Fraud and Error Reduction Team are responsible for carrying out anti-fraud activity in relation to Housing Benefit and Local Council Tax Support and also provide assistance to Internal Audit, and all other service areas providing the main resource for fraud and irregularity matters.

The Committee noted that South Bucks District Council in 2018/19 had awarded £14,532,903 in Housing Benefit rather than £14,352,903 as was stated in the report.

The Audit, Fraud and Error Reduction Manager reported that the level of fraud and error within housing benefit had increased with more reviews but figures were lower than estimated by DWP so that the right outcomes were being reached.

A total of 166 high risk claims with self employed earnings were reviewed across both authorities with 76 of the cases resulting in a reduction of cessation of Housing Benefit.

There had been an increase in single person discount errors being falsely claimed but this was mainly through error and was not malicious. With errors these normally were backdated for the year. Members noted that errors were discovered through a data matching exercise between the electoral roll and council tax. This had resulted in £50,000 saving.

Audit and Standards Committee - 23 October 2019

A Member asked how money was recovered and was informed that it could be through the normal council tax recovery procedures or from ongoing benefit, invoiced or attachment to earnings.

RESOLVED that the report be noted.

21. INTERNAL AUDIT COMPARISON REPORT - 23 OCTOBER 2019

The Committee considered a report which provided a comparison of assurance levels over time so that any trends or measures which may have impacted upon the control framework at the Council could be identified.

Members noted that there had been one advisory report relating to documentation of health and safety contractor arrangements but following discussion with the Head of Service action had been taken to address the recommendations.

Members welcomed the report, particularly that most recommendations were either 'substantial' or 'reasonable'.

RESOLVED that the report be noted.

22. INTERNAL AUDIT PROGRESS REPORT - 23 OCTOBER 2019

The Committee received the Internal Audit progress report from TIAA which showed the progress of audits since the previous meeting.

The Committee noted that no emerging risks has been identified which could impact on the overall effectiveness of the governance, risk and internal control framework of the Council. TIAA were working to get all draft reports finalised by the end of March 2020.

A Member asked a question with reference to the ICT Annual Network Audit where five recommendations had been made. Appendix B showed all five recommendations which were priority 2 which were either completed or ongoing.

RESOLVED that the report be noted.

23. 2018/19 STATEMENT OF ACCOUNTS

Members received a report which presented the Statement of Accounts for 2018/19, which could be seen at Appendix 1 on pages 93-176 of the agenda pack.

The Council set its budget for 2018/19 to take account of the continuing material reduction in funding to the Authority and incorporated over £600,000 of savings, budget reductions and increased income. The net cost of services for the year was £10,407,000 and income from Council Tax was £7,566,000

The key movements in the Authority's usable reserves are as follows.

- The General Fund Balance increased by £793,000 to £3,193,000 and earmarked reserves decreased by £3,639,000 to £1,602,000.
- The Authority's Capital Receipts Reserve were fully utilised in 2018/19. This is because receipts of £359,000 were used to fund the capital investment programme.

The key movement in the Authority's unusable reserves is as follows.

The Pensions deficit decreased by £1,492,000. The accumulated estimated pension fund deficit now stands at £28,737,000. The Director of Resources reported that the liability with regard to the Pension Fund was higher than expected due to a legal case (£371k) (the McCloud case).

Total capital expenditure for the year amounted to £5,335,000 which was financed from internal capital receipts, borrowing and central Government grants. Total reserves were £9,769,000.

Members noted that the deadline for Member approval and final publishing was not later than 31 July, unless the external audit had not been concluded. The External Auditors had not been able to conclude the audit because of resourcing issues, which impacted on a number of Councils and Members wanted it to be made clear that the delay was not the fault of the Council. Members were concerned of the risk of EY's resourcing issue repeating for the 2019/20 accounts audit, and the impact that would have on the Council's finance team and that of the new Council's. Members were concerned about the reputation and possible financial consequences that could result. As EY were unable to attend the meeting they were unable to comment on these points. Members suggested EY may be in a position at the next Audit Committee meeting to provide an update on their resourcing situation.

SBDC have various major ongoing projects with capital commitments, such as 801 & 811 Bath Road, which is almost complete and Tatling End development.

Reference was made to Consilio Property Limited which was the wholly owned local authority trading company to facilitate income generation. Consilio is a significant company and was required to produce its own Group Accounts .

The Committee and the Head of Finance thanked the Finance Team, in particular Victoria Green for their hard work in preparing the accounts.

RESOLVED that the final 2018/19 Statement of Accounts be approved and that delegated authority be given to the Chairman of the Audit and Standards Committee and the Director of Resources to sign the Statement of Accounts in accordance with the Accounts and Audit Regulations.

24. ERNST AND YOUNG 2018/19 ACCOUNTS AUDIT REPORT SBDC

Members considered the Annual Audit Results Report from external auditors Ernst & Young (EY). The executive summary covered the key areas and the Committee was pleased to be informed that subject to the satisfactory completion of the outstanding items set out in appendix B of the audit report, EY expected to issue an unqualified opinion on the Authority's financial statements and that no significant issues had been discovered.

RESOLVED that the report be noted.

25. AUDIT COMMITTEE WORK PROGRAMME (SBDC)

RESOLVED that the work programme for the Audit Committee be agreed.

The meeting terminated at 6.45 pm

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SOUTH BUCKS DISTRICT COUNCIL

AUDIT & STANDARDS COMMITTEE

STANDARDS WORK PROGRAMME

2019/2020

		2019		2020	
	Contact	10.07.19	23.10.19	14.01.20	19.03.20
10.07.19					
<ul style="list-style-type: none"> Complaints Monitoring Report 2018/19 	Joanna Swift	X			
<ul style="list-style-type: none"> Code of Conduct and complaints procedures for Buckinghamshire Council as a Shadow Authority 	Joanna Swift	X			
23.09.19					
<ul style="list-style-type: none"> Annual Review of Code of Conduct and Complaints Procedure 	Joanna Swift		X		
<ul style="list-style-type: none"> Committee on Standards in Public Life Annual Report 	Joanna Swift		X		
14.01.20					
<ul style="list-style-type: none"> Proposed Code of Conduct and complaints procedures for Buckinghamshire Council 	Joanna Swift			X	
19.03.20					
<ul style="list-style-type: none"> Code of Conduct and complaints procedure for Buckinghamshire Council 	Joanna Swift				X
<ul style="list-style-type: none"> Complaints Monitoring Report 2019/20 	Joanna Swift				X

South Bucks District Council

Internal Audit Progress Report 2019/20

Audit and Standards Committee –

14 January 2020

FINAL

2019/20

January 2020

INTRODUCTION

1. This summary report provides the Audit Committee with an update on the progress of our work at Chiltern and South Bucks District Councils as at 12 December 2019.

PROGRESS AGAINST THE 2019/20 ANNUAL PLAN

2. Our progress against the Annual Plan for 2019 -20 is set out in Appendix A. The results of finalised audits for 2019/20 with Priority 1 or 2 recommendations are shown at Appendix B.

EMERGING GOVERNANCE, RISK AND INTERNAL CONTROL RELATED ISSUES

3. We have identified no emerging risks which could impact on the overall effectiveness of the governance, risk and internal control framework of the organisation.

AUDITS COMPLETED SINCE THE LAST REPORT TO COMMITTEE

4. The table below sets out details of audits finalised since the previous meeting of the Audit and Standards Committee on 23 October 2019.

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OE
<u>2019/20 Audit Reports</u>								
Performance Management/Efficient Working	Substantial	24/09/19	15/10/19	16/10/19	-	-	1	-
Information Governance/ Data Quality	Reasonable	19/11/19	27/11/19	28/11/19	-	1	2	-
Expenses	Reasonable	14/10/19	18/10/19	21/10/19	-	-	3	-
Main Accounting	Substantial	21/11/19	04/12/19	06/12/19	-	-	-	1
Accounts Payable	Substantial	03/12/19	03/12/19	05/12/19	-	-	1	-
Accounts Receivable	Substantial	03/12/19	03/12/19	05/12/19	-	-	1	1

Housing Benefits & Council Tax Support	Substantial	23/09/19	26/09/19	01/10/19	-	-	1	-
Council Tax and NDR	Substantial	08/10/19	14/10/19	15/10/19	-	-	2	-
Farnham Park Leases	Reasonable	11/09/19	06/11/19	07/11/19	-	3	-	-

*OEM = Operational Effectiveness Matters (these are good practice suggestions that have arisen during the audit)

Copies of the finalised reports (recommendations only) where priority one or two recommendations have been made are attached at Appendix B.

CHANGES TO THE ANNUAL PLAN 2019/20

6. The following changes have been made to the Annual Internal Audit Plan for 2019/20:
- 1) Delete Equalities – 8 days (Audit not a priority in 2019/20)
 - 2) Add Contractor Health and Safety audit – 8 days
 - 3) Delete Governance – 8 days (Audit not required as Council will not exist beyond 31 March 2020)

FRAUDS/IRREGULARITIES

7. We have not been advised of any frauds or irregularities in the period since the last summary report was issued.

LIAISON

8. We liaise with EY and provide reports and working paper files, as required.
We have regular client meetings with the Audit, Fraud and Error Reduction Manager and Head of Finance.

PROGRESS ACTIONING PRIORITY 1 RECOMMENDATIONS

9. We have not made any Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous Progress Report

RISK MANAGEMENT

10. The Audit Director with TIAA and the Councils Audit, Fraud & Error Reduction Manager meet on a regular basis to discuss and action Risk Management matters for both Councils.

The current Risk Procedures/Guidance for Risk Management is being reviewed and progress is being made to display appropriate information on Risk Management throughout both Councils. This will include posters on all notice boards at the main civic offices for South Bucks and Chiltern Councils, as well as data on the Councils intranet.

Appropriate training has been developed and is been delivered to all middle managers. The latest training has been given to managers during October 2019.

RESPONSIBILITY/DISCLAIMER

11. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Progress against the Annual Plan for 2019/20

System	Planned Quarter	Days	Current Status	Comments
Governance	3	0(8)		Audit cancelled
Complaints and Compliments	2	6	Draft report issued 20 November 2019	
Performance Management/Efficient Working	1	8	Final report issued 16 October 2019	
Contracts - Novation	1	9		This will be a Quarter 4 audit
Information Governance/Data Quality	3	8	Final report issued 28 November 2019	
Subject Access Requests	2	8	Draft report issued 11 September 2019	
Emergency Planning	2	8	Draft report issued 24 October 2019	
Health and Safety – Internal Arrangements	2	7		This will be a Quarter 4 audit
Purchase Cards	1	8	Final report issued 18 September 2019	
Expenses	1	8	Final report issued 21 October 2019	
Main Accounting	3	7	Final report issued 6 December 2019	
Payroll	3	11	In progress	
Accounts Receivable (Debtors)	3	8	Final report issued 5 December 2019	
Accounts Payable (Creditors)	3	8	Final report issued 5 December 2019	
Benefits and Council Tax Support	1	13	CDC – final report issued 15 July 2019. SBDC–final report issued 1 October 2019	
Council Tax and NDR	1	25	CDC – final report issued 9 August 2019. SBDC – final report issued 15 October 2019	
Cash and Bank	3	7		Start date 19 December 2019

System	Planned Quarter	Days	Current Status	Comments
Treasury Management	3	7	In progress	
ICT – Annual Network Audit	2	6	Final report issued 9 July 2019	
ICT – Network Infrastructure	2	6	Final report issued 9 July 2019	
ICT – Information Management	2	6	Final report issued 30 August 2019	
Housing Allocations and Homelessness/Temp Accommodation	2	8	In progress	Draft report being prepared
Disabilities Facilities Grant	1	5	Final report issued 1 July 2019	
Leisure Contract	2	8	In progress	
Waste services (Chiltern, Wycombe and South Bucks)	2	11		This will be a Quarter 4 audit
Car Parking	2	7	Final report issued 10 September 2019	
Commercial Rents/debt recovery	1	8	In progress	
Equalities	3	0(8)		Audit Cancelled
Contractor Health & Safety audit	3	8	Draft report issued 19 November 2019	
Risk Management Assistance	1-4	15	All work complete for 2019 20	This provides risk management assistance to officers throughout the year including risk workshops
<u>Farnham Park</u>				
Farnham Park Leases	1	6	Final report issued 7 November 2019	
Stores, Shop and Bar at Golf Club	1	6	Final report issued 18 July 2019	

KEY:

	=	To be commenced
	=	Site work commenced
	=	Draft report issued
	=	Final report issued

Recommendations – Priority 1 and 2 Only

Audit Report: Information Governance
Report Issued: 28 November 2019

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Compliance	A sample of three Asset Registers were reviewed. In two cases the Asset Registers had not been recently reviewed, and in the third case inaccuracies were noted for the data recorded on the register. In addition, it was noted that there were inconsistencies in the way that information was being captured. By way of example, in relation to specifying the Information Asset Owner, in some cases a particular job title was specified whereas in other cases a general department name was specified. In addition, when specifying the review date, in some cases this was recorded as the date of review for each individual information asset, and in some cases this was recorded as the last review date of the asset register as a whole.	Action be taken to ensure that all Asset Registers are reviewed / updated at the earliest opportunity, with further guidance provided where necessary to ensure these are being fully and accurately completed.	2	<p><i>All asset registers should be reviewed at least annually by their owners and also when any changes are made to that asset in how its processed/shared/stored etc are changed.</i></p> <p><i>Whilst business support can facilitate communications and provide advice and guidance where required it is the responsibility of the heads of service to ensure their areas are keeping their asset registers updated.</i></p>	<p><i>Reminder communication to be sent by/on behalf of SIRO by 6/12/2019</i></p> <p><i>Asset Registers to be updated by service areas by 31/01/2020</i></p>	<p>SIRO</p> <p>Heads of Service</p>

Audit Report: Farnham Park - Leases
Report Issued: 7 November 2019

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	It was noted that Unity Martial Arts Club and Farnham Royal Rugby Club previously had contracted-out lease agreements in place, but these lease agreements have expired and have not yet been renewed due to plans to refurbish the site. Letting the leases expire and simply continue on their previous terms means that (i) the Trust risks a loss of income by not receiving rent at a market value, and (ii) there is a legal risk that the tenancy becomes a periodic tenancy, which ends up providing the tenant with increased statutory rights which they had contracted out of in the original leases. Where the intention is to negotiate a new lease but it is likely that a new lease is not going to be agreed within a short timeframe, it would be best practice to ensure that the ongoing (interim) terms are formally captured in a tenancy at will, which will protect the Trust's/Council's position as landlord and provide clarity as to the legal relationship between the parties.	When leases expire, ongoing terms be formally documented in order to protect the Trust's/Council's position as landlord and provide clarity as to the legal relationship between the parties.	2	<p><i>Kempton Carr have been contacted and asked to carry out valuations of both buildings, so that a rent valuation can be agreed.</i></p> <p><i>Once the valuation is in place new 3 year rolling leases will be drawn up with our legal department and the two tenants.</i></p> <p><i>If legal feel that a tenancy at will is the correct way forward in the short term then this will take place whilst the new leases are being agreed.</i></p>	<p><i>Expect valuation to take place before 30/11/19.</i></p> <p><i>New lease would be expected to be in place by 31/03/20.</i></p>	<p><i>Mark Young (General Manager)</i></p> <p><i>Mark Young (General Manager and legal team)</i></p>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Compliance	The BSUK lease sets out the rent for the first year (from July 2016) as £14,500, increased to £19,000 for the second year, with subsequent years subject to an annual rent review in accordance with the calculations set out in the lease (providing for rent increases in line with increases in the Retail Price Index). Rent reviews should therefore have been carried out in July 2018 and July 2019, however it was noted that these have not been carried out and BSUK have continued to be charged £19,000 per annum.	Rent review for the BSUK lease be carried out at the earliest opportunity in line with the provisions set out in the lease agreement.	2	<p><i>A meeting has taken place with BSUK when the lack of a rent review was raised and discussed. Agreed that Management will set a new rent from 2020 onwards based on retail; price increase in July 2018 and July 2019.</i></p> <p><i>Back dated rent will only be claimed back to JULY 2019 as was our error.</i></p> <p><i>Rent Review scheduled to take place for JULY 2020.</i></p> <p><i>A site inspection was also carried out in October with BSUK representatives, with only a couple of minor safety issues being raised, which will be put in writing.</i></p>	<p><i>New rent from 01/01/20 PLUS</i></p> <p><i>Revised invoice to be raised for difference from July 2019 to December 2019 by 30/11/20</i></p> <p><i>01/07/20</i></p>	<p><i>Mark Young (General Manager)</i></p> <p><i>Mark Young</i></p> <p><i>Mark Young</i></p>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Compliance	It was noted that the quarterly rental income collected from Farnham Royal Rugby Club was reduced from £1,441 a quarter to £1,000 in April 2019, as the club was struggling to meet invoice payments due to a lull in the club's activities. The General Manager noted that the reduction in rent collected was discussed with and approved by the Director of Resources; the executive lead responsible for the Trust. An email from the Director of Resources confirming reduction of the annual lease rental payment from the Rugby Club to £4,000 was sighted. However, there is no documentary evidence in place communicating the reduced rent to the tenant.	Changes to the rent paid by Farnham Rugby Club be documented and formally communicated with the Club.	2	<i>The decision to reduce the rent as agreed with the Director of Resources was passed on to Farnham Royal Rugby Club verbally. Therefore this will now be followed by a letter to the Chairman of Farnham Royal Rugby Club (Paul Whelan) that this was agreed. The letter will also communicate the need for a new lease and a valuation to take place in November 2019.</i>	<i>By 30/11/19</i>	<i>Mark Young (General Manager)</i>

SUBJECT:	FARNHAM PARK CHARITY – OUTTURN & ACCOUNTS 2018/19
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 2018/19, and to formally present the Charity's financial accounts for the year.

RECOMMENDATION

1. The Audit & Standards Committee considers the report and formally approves the 2018/19 Accounts.

2. 2018/19 Financial Outturn

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

	2018/19			2017/18
	Budget	Actual	Variance	Actual
	£'000	£'000	(Act-LB) £'000	£'000
Farnham Park Sports Fields				
Income	68	50	-18	74
Expenditure	-167	-158	9	-183
Depreciation	-10	-10	-	-10
	-109	-118	-9	-119
South Buckinghamshire Golf				
Income	660	628	-32	585
Expenditure	-588	-523	65	-532
Depreciation	-64	-64	-	-82
	8	41	33	-29
South Buckinghamshire Catering				
Income	289	243	-46	254
Expenditure	-308	-316	-8	-323
Depreciation	-2	-2	-	-2
	-21	-75	-54	-71
Total	-122	-152	-30	-219

2.2 The main points to note are as follows.

- The overall deficit for the year was £152k which was £30k higher than budgeted, however this is significantly lower than 2017/18 when the figure was £219K.
- Golf participation numbers has been in a steady decline over the last 10 to 15 years, with a number of courses closing. However, Golf England are stating that this decline in participation is now starting to stabilise, which is supported by the number of rounds played at The South Buckinghamshire in 2018/19, which was virtually the same as the previous year. There was increased income from the uptake in season tickets and there has been an increase in “last minute” online bookings during the year.
- Green fee income has increased compared to the previous year. Coupled with the savings on expenditure this has resulted in a healthier position for the golf operation.
- The catering service returned a deficit of £75k, which was £54k more than budgeted. The spend per head in the catering service is considerably below the anticipated figures at the time that the new clubhouse was being built in 2012, and has dropped in 2018/19 to below £5.00 per head. This is a general trend in the golf catering industry, as golfers are not staying for refreshments after playing, and if they do it is only for a short time. There has also been a shortfall in the number of corporate and private bookings caused, in part, by the continued economic uncertainty.
- 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, and this reflects the general situation that has developed over the last 10 – 15 years, that traditional playing field facilities can only operate with some form of subsidy. Options for the future of the Playing Fields are being considered, and there is a commitment to maintain the site for open space 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.
- 2018/19 saw the demise of Phoenix Social Club, and the clubhouse is now closed, along with the Slough Town clubhouse, therefore both buildings are returning no income at all. However, football pitch booking and softball events should improve in 2019/20, as demand for good quality pitches is increasing, especially from the junior soccer sector.

2.3 The following table shows the number of rounds played in 2018/19 compared to the two previous years. Overall the number of rounds was 214 (under 1%) less than the previous year, and 4% down on 2016/17.

	Number of rounds		
	2016/17	2017/18	2018/19
Apr	3,184	3,411	2,731
May	3,756	3,540	3,448
June	3,268	3,685	3,645
July	3,867	3,778	3,543
August	4,520	4,001	3,757
September	3,300	3,420	3,482
October	2,628	2,824	2,820
November	2,037	2,245	2,158
December	1,877	1,244	1,415
January	1,650	1,597	1,801
February	1,813	1,658	1,787

	Number of rounds		
	2016/17	2017/18	2018/19
March	2,244	1,543	2,145
Total	34,144	32,946	32,732

3. Charity Accounts 2018/19

- 3.1 Appendix A sets out the Charity's accounts for 2018/19. The overall movement in the Trust's reserves during the year is summarised in the following table.

2018/19 Movement of Reserves

	Un-restricted Funds £'000	Restricted Funds (1) £'000	Endowment Fund (2) £'000	Total £'000
Balance 1 April 2017	-558	278	1,438	1,158
In year movement	-111	-31	-10	-152
Balance 31 March 2018	-669	247	1,428	1,006

(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.
- 3.3 With the creation of the Buckinghamshire Council in April 2020, responsibility for the Trust and its activities will pass to the new Council, which will become the corporate trustee. The Council will need to decide where the operation of the golf course and the playing fields fit within its Leisure Strategy. There will particularly be the issue of the future of the playing fields to resolve.

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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**FARNHAM PARK SPORTS FIELDS
CHARITY NO 308164**

**Annual Report and Accounts
For the year ended 31 March 2019**

FARNHAM PARK SPORTS FIELDS CHARITY NO 308164

Annual Report and Accounts For the year ended 31 March 2019

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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	Bob Smith Chief Executive of South Bucks District Council
	Treasurer	Jim Burness Director of Resources of South Bucks District Council
Principal advisors	External audit	Wilkins Kennedy Audit Services Anglo House, Bell Lane Office Village, Bell Lane, Amersham, Bucks HP6 6FA
	Bank	Barclays Bank Plc 16/18 St Peters Street, St Albans, Herts AL3 4DZ

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

Structure, Governance and ManagementGoverning 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 (SBGC) 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 trustee. 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;
- The key management personnel are members and officers of SBDC who receive no remuneration from the Charitable Trust.

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 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 and access to finance, 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 or hire these facilities, and
- operates the South Buckinghamshire Golf Course on a public pay and play basis.

Objectives for Year

The key objectives for 2018/19 were:

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

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, senior citizens 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.

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.

Achievements and Performance

Review of Activities Undertaken

The Farnham Park Sports Fields comprise full size rugby / football pitches, softball pitches, a baseball pitch and a children's playground. During 2018/19 the following organisations rented some of these facilities:

- Unity Martial Arts
- Baseballsoftball UK Limited
- Farnham Royal Rugby Club.

The number of rounds played at the South Buckinghamshire in 2018/19 was 32,732 against a figure of 32,946 the previous year. There are a large number of golf courses in the area competing for the same shrinking market due to the general decline in the popularity of golf. Offering a high quality course at a competitive price in future years continues to be imperative to the success of the golf operation.

The low number of golfers, and a general reduction in spend per visit common across the sector, has also caused a reduction in income from bar food and drink. Furthermore, room bookings remain static as the economic climate remains uncertain, depressing spending by local companies.

Financial Review

Review of Year

During 2018/19 the Charitable Trust generated income totalling £921,000 and spent £1,073,000 giving a net deficit for the year of £152,000. The table below compares the budget for the year with the actual expenditure.

	Budget Figures	Actual	Variance (Act-Budget)
	£'000	£'000	£'000
Farnham Park Sports Fields			
Income	68	50	-18
Expenditure	-167	-158	9
Depreciation	-10	-10	-
	-109	-118	-9
South Buckinghamshire Golf Course			
Income	660	628	-32
Expenditure	-588	-523	65
Depreciation	-64	-64	-
	8	41	33
South Buckinghamshire Catering			
Income	289	243	-46
Expenditure	-308	-316	-8
Depreciation	-2	-2	-
	-21	-75	-54
	-122	-152	-30

As can be seen from the table above, the Golf Course did not achieve the level of income anticipated, but expenditure was also lower than budgeted, and the Catering operation incurred a loss. The Sports Fields, in common with the majority of playing field facilities, continues to operate at a loss.

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.

The following table provides a summary of the Charitable Trust's key assets and liabilities:

	At 31 March 2019 £'000	At 31 March 2018 £'000
Fixed Assets	4,124	4,199
Current Assets	266	166
Clubhouse Loan from South Bucks District Council	-1,574	-1,662
Other Liabilities	-1,810	-1,545
	1,006	1,158

Reserve Policy - Unrestricted Fund

Nature of Reserve: This Fund represents the accumulated year on year surplus / deficit of 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.

The current Unrestricted Fund balance is minus £669,000. 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 - Restricted Fund

Nature of Reserve: The Restricted Fund is made up of monies received in 1998/99 for the sale of Farm Cottages and a grant from Sport England received in 2014 to assist with the costs of the new Clubhouse. The balance of the Sport England grant was used during the year. The current balance is £247,000 from the Farm Cottages sale.

Minimum Value of Fund: The value of the restricted funds will reduce over time to reflect the depreciation of the clubhouse and the use of the sale monies to fund redevelopment.

Usage: The Restricted Funds consist of the Farm Cottage Fund set aside for any future redevelopment of the Sports Fields and money from Sport England set aside to cover ongoing usage of the Clubhouse.

Reserve Policy - Endowment Fund

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

Minimum Value of Fund: The value of the Endowment Fund will reduce over time to reflect depreciation 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 responsible for preparing a Trustee's annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, The Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008 requires the trustee 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 that year. In preparing those financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS102);
- 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 in business.

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. The Trustee is 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.

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 Trust will continue to review its asset base to ensure community use and appropriate investment. In particular, it will produce plans for the improved utilisation of the playing fields.

From April 2020 the corporate trustee will change to the new Buckinghamshire Council. It will need to determine how the trust fits in to its aims and objectives, and consequentially what its medium term plans for the trust are.

Declaration

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

It is therefore declared that the SBDC Audit & Standards Committee, on behalf of the Charity, approved this Annual Report and the accompanying Accounts for the financial year ending 31 March 2019 at their meeting on 23rd October 2019.

Signature:

Position: Chair of Audit & Standards Committee

Date: 14th January 2020

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	2018/19 Unrestricted Funds £'000	2018/19 Restricted Funds £'000	2018/19 Endowment Funds £'000	2018/19 Total Funds £'000	2017/18 Unrestricted Funds £'000	2017/18 Restricted Funds £'000	2017/18 Endowment Funds £'000	2017/18 Total Funds £'000	
Income and Endowments									
	Income from charitable activities								
-	Farnham Park Sports Fields	50	-	-	50	74	-	-	74
-	South Buckinghamshire Golf Course	570	-	-	570	528	-	-	528
-	South Buckinghamshire Catering	243	-	-	243	254	-	-	254
*a	Income from non-charitable activities	58	-	-	58	57	-	-	57
	Total income and endowments	921	-	-	921	913	-	-	913
Expenditure									
1-7	Charitable activities								
-	Farnham Park Sports Fields	-158	-	-	-158	-183	-	-	-183
-	South Buckinghamshire Golf Course	-523	-	-	-523	-532	-	-	-532
-	South Buckinghamshire Catering	-316	-	-	-316	-323	-	-	-323
-	Depreciation – Intangible Assets	-	-	-	-	-1	-	-	-1
*b	Depreciation – Tangible Assets	-35	-31	-10	-76	-42	-40	-11	-93
	Total expenditure on Charitable activities	-1,032	-31	-10	-1,073	-1,081	-40	-11	-1,132
	Net movement in funds	-111	-31	-10	-152	-168	-40	-11	-219
	Total funds brought forward	-558	278	1,438	1,158	-390	318	1,449	1,376
	Total funds carried forward	-669	247	1,428	1,006	-558	278	1,438	1,158

*a This is income from work carried out at the South Bucks Country Park owned by SBDC.

*b Depreciation on restricted fund was limited to £31,000 as that was the balance of the Sport England grant.

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 2019 Unrestricted Funds £'000	At 31 March 2019 Restricted Funds Farm Cottage Sale £'000	At 31 March 2019 Endowment Funds £'000	At 31 March 2019 Total Funds £'000	At 31 March 2018 Total Funds £'000	
Fixed Assets						
8	Intangible Assets – software	1	-	-	1	1
9	Tangible Assets	2,695	-	1,428	4,123	4,199
		2,696	-	1,428	4,124	4,200
Current Assets						
10	Stock – finished goods	20	-	-	20	28
11	Debtors	33	-	-	33	34
	Cash at Bank	213	-	-	213	104
		266	-	-	266	166
Current Liabilities						
12	Creditors: Amounts due within 1 year	-165	-	-	-165	-92
	Amount due to related party (SBDC)	-1,892	247	-	-1,645	-1,454
13	Loan from South Bucks District Council	-90	-	-	-90	-91
		-2,147	247	-	-1,900	-1,637
	Net Current Assets or Liabilities	-1,881	247	-	-1,634	-1,471
	Total Assets less Current Liabilities	815	247	1,428	2,490	2,729
Long Term Liabilities						
13	Loan from South Bucks District Council	-1,484	-	-	-1,484	-1,571
	Net Assets	-669	247	1,428	1,006	1,158
	Unrestricted Fund	-669	-	-	-669	-558
	Restricted Fund	-	247	-	247	278
14	Endowment Fund	-	-	1,428	1,428	1,438
	Total Funds	-669	247	1,428	1,006	1,158

Signed on behalf of the charity trustee

Signature:

Position: Chair of Audit & Standards Committee

Date: 14th January 2020

This statement shows the changes in cash and cash equivalents during the reporting period.

	2018/19 £'000	2017/18 £'000
Cash flows from operating activities		
Loss for the financial year	-152	-219
Adjustments for:		
Depreciation of tangible assets	76	93
Amortisation of intangible assets	-	1
Interest Paid	36	32
(Increase)/decrease in stocks	8	-4
(Increase)/decrease in debtors	1	15
Increase/(decrease) in creditors	73	-68
Net cash provided by (used in) operating activities	<u>42</u>	<u>-150</u>
Cash flows from investing activities:		
Purchase of tangible assets	-	-1
Net Cash provided by (used in) investing activities	<u>-</u>	<u>-1</u>
Cash flows from financing activities:		
Repayments of loan from SBDC	-88	-89
Interest Paid	-36	-32
Net Cash provided by (used in) financing activities	<u>-124</u>	<u>-121</u>
Change in cash and cash equivalents in the year	<u>-82</u>	<u>-272</u>
Cash and cash equivalents at the beginning of the year	<u>-1,350</u>	<u>-1,078</u>
Cash and cash equivalents at the end of the year	<u>-1,432</u>	<u>-1,350</u>
Split by:		
Cash at Bank	213	104
Amount due to SBDC	-1,645	-1,454
	<u>-1,432</u>	<u>-1,350</u>

1. General Information

Farnham Park Sports Fields is a Charitable Trust governed by the Eton Rural District Council (ERDC) Act 1971 and is registered charity number 308164. The principal address is Council Offices, Capswood Business Centre, Oxford Road, Denham, Buckinghamshire, UB9 4LH.

2. Statement of Accounting Policies

Basis of Accounting

These Accounts have been prepared in accordance with:

- Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) issued on 16 July 2014 and update bulletin 1 effective 1 January 2016.
- Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102), and
- The Charities Act 2011.

Farnham Park Sports Fields meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Income

Recognition of income	These are included in the Statement of Financial Activities (SoFA) when: <ul style="list-style-type: none"> - the Charitable Trust becomes entitled to the income; - the Trustee is virtually certain they will receive the income; and - the monetary value can be measured with sufficient reliability.
Income with related expenditure	Where income has related expenditure (as with fundraising or contract income) the income 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.
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. <p>Gifts in kind for sale or distribution are included in the accounts as gifts only when sold or distributed by the Charitable Trust.</p> <p>Gifts in kind for use by the Charitable Trust are included in the SoFA as incoming resources when receivable.</p>
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.

Expenditure and Liabilities

Liability recognition	Liabilities are recognised if it is probable that there is a legal or constructive obligation committing the Charitable Trust to pay out resources.
Expenditure	<p>All expenditure is accounted for on an accruals basis. All expenses including support costs are allocated or apportioned to the applicable expenditure headings.</p> <p>Costs of charitable activities consist of those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs allocated directly to such activities and those costs of an indirect nature necessary to support them.</p> <p>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.</p>
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	<p>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.</p> <p>The Charitable Trust accounts for this scheme as if it was a defined contribution scheme.</p> <p>The amount charged to the Statement of Financial Activities (SoFA) represents contributions payable to the scheme in respect of the accounting period.</p>
Creditors	Creditors are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured reliably. Creditors are recognised at their settlement amount due.

Assets

Intangible fixed assets for use by the Charitable Trust	<p>These are capitalised if the cost is significant and they can be used for more than one year. Expenditure that maintains but does not add to an asset's future economic benefits is charged as an expense.</p> <p>Assets are measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use.</p>
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Assets - continued

Tangible fixed assets for use by the Charitable Trust	<p>These are capitalised if the cost is significant and they can be used for more than one year. Expenditure that maintains but does not add to an asset's future economic benefits is charged as an expense.</p> <p>Assets are measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use.</p> <p>The Trust does not adopt an accounting policy of revaluing any classes of assets.</p>
Stocks	These are valued at the lower of cost or market value. Where necessary, provision is made for obsolete, slow moving and defective stocks.
Debtors	Debtors are recognised at the settlement amount due.
Cash at bank	Cash at bank represents short term highly liquid investments with a short term maturity of three months or less from the date of acquisition or opening of the deposit or similar account

Judgements and key sources of estimation uncertainty

Accounting estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that had the most significant effect on amounts recognised in the financial statements.

Useful economic lives of fixed assets	The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are considered annually.
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There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

VAT

The Charitable Trust is registered for VAT. It is however 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 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.

Presentational Currency

These Accounts have been presented in sterling (£) which is also the functional currency of the Charitable Trust.

3. Charitable Expenditure

	Sports Field £'000	Golf Course £'000	Catering £'000	Golf Management £'000	Grounds Maintenance £'000	2018/19 Total £'000	2017/18 Total £'000
Employees	2	-	148	167	231	548	559
Premises	25	47	-	-	7	79	95
Transport	2	-	-	3	32	37	35
Supplies & Services	6	39	120	46	41	252	252
Bad Debt Provision	-	-	-	-	-	-	17
Depreciation	10	42	2	-	22	76	94
Interest	-	36	-	-	-	36	32
Support Costs							
Human Resources	2	4	-	-	-	6	6
Finance	2	4	-	-	-	6	6
ICT	2	4	-	-	-	6	6
Property & Facilities	4	10	-	-	-	14	16
Communications	-	-	-	-	-	-	1
Governance	5	8	-	-	-	13	13
	60	194	270	216	333	1,073	1,132

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. Golf Management and Grounds Maintenance are recharged to the Sports Field, Golf Course and Catering on the SoFA and Review of Year.

4. Trustee Expenses

The key management personnel comprise the members who received no remuneration or other financial benefits from the Charitable Trust during either the current or previous year. 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' financial statements, as opposed to what has actually been paid in the year.

	2018/19 £'000	2017/18 £'000
Auditors' fees for reporting on the accounts	7	7
Other fees paid to the independent auditor	-	-
	7	7

6. Paid Employees

There was an average of 22 (2017/18 23) staff who worked at the Farnham Park Sports Fields and the South Buckinghamshire Golf Course during 2018/19. This includes full-time, part-time and casual staff.

	2018/19	2017/18
	£'000	£'000
Basic pay	428	429
National insurance	39	39
Pension costs	55	53
Overtime	20	24
Temporary staff	-	8
Other employee costs	6	6
	548	559

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.

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 Career Average Revalued Earnings (CARE).

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 £55,000. There were no outstanding contributions payable to the fund as at 31 March 2019.

Contributions of £60,000 are estimated to be payable in the year ending 31 March 2020.

8. Intangible Fixed Assets - Software

	2018/19	2017/18
	£'000	£'000
Valuation		
Balance brought forward	15	15
Additions	-	-
Balance carried forward	15	15
Accumulated Depreciation and Impairment Provisions		
Balance brought forward	14	13
Depreciation charge for year	-	1
Balance carried forward	14	14
Net Book Value		
Brought forward	1	2
Carried forward	1	1

Intangible assets are amortised using the straight-line method over a period of up to 5 years after the year of expenditure.

9. 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	Vehicles Equip't and IT Systems £'000	Total £'000
Valuation							
Balance b/f	327	293	420	858	2,397	386	4,681
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-50	-50
Balance c/f	327	293	420	858	2,397	336	4,631
Accumulated Depreciation and Impairment Provisions							
Balance b/f	-	41	28	-	119	294	482
Depreciation charge	-	10	7	-	40	19	76
Disposals depreciation	-	-	-	-	-	-50	-50
Balance c/f	-	51	35	-	159	263	508
Net Book Value							
Brought forward	327	252	392	858	2,278	92	4,199
Carried forward	327	242	385	858	2,238	73	4,123

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

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. These range from 20 to 60 years.
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 10 years after the year of expenditure.

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

There are no monies due in relation to capital contracts as at 31 March 2019.

Investment in Fixed Endowment Assets

During 2018/19 the Trust incurred no expenditure on the Land and Buildings that are held as a Permanent Endowment (PE).

Leases

The Trust leases one building along with several pitches to BSUK (Baseball Softball UK) on a 25 year lease which started in June 2016. A further two buildings are leased on a rolling basis. The other buildings are currently vacant. The drop in minimum lease payments reflects the decrease in the remaining time on the long term lease.

The future minimum lease payments due under the leases are:

	At 31 March 2019	At 31 March 2018
	£'000	£'000
Not later than one year	28	29
Later than one year not later than five years	79	80
Later than five years	43	63
	150	172

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

	2018/19	2017/18
	£'000	£'000
Minimum lease payments	31	24
	31	24

Several of the leases ended during 2017/18 and the tenants continue to occupy on the basis of a rolling agreement.

10. Stock

All stock held by the Charitable Trust are classified as finished goods. Stock recognised as an expense during the year was £112,000 (2017/18 £111,000).

11. Debtors and Prepayments – Amounts Falling Due Within 1 Year

	At 31 March 2019	At 31 March 2018
	£'000	£'000
Amounts due for rent of facilities	31	37
Other amounts due	5	-
Prepayments	14	14
Bad Debts Provision	-17	-17
	33	34

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

	At 31 March 2019	At 31 March 2018
	£'000	£'000
Creditors	80	30
Audit fee	7	7
Prepayment of season tickets	78	55
	165	92

13. Loan from South Bucks District Council

The clubhouse building which opened April 2014 was primarily funded from an unsecured £1.98m loan from South Bucks District Council. This will be repaid over 20 years from 2015. The interest rate charged is based on the Public Works Loan Board (PWLB) variable annuity rate published for 1st April each year.

The principal payments due under the loan are as follows:

	At 31 March 2019	At 31 March 2018
	£'000	£'000
Not later than one year	90	91
Later than one year not later than five years	379	379
Later than five years	1,105	1,192
Total Liability	1,574	1,662
	36	32

14. Endowment 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. Operating Lease Commitments

The Farnham Park Sports Fields has the following commitments under a rental agreement for the supply of golf buggies and another agreement for the hire of grounds maintenance equipment. During the year a new four year agreement for the supply of six Lithium battery powered buggies was entered into. A separate five year agreement for the leasing of two mowers and one aerator was entered into at the end of the year.

	At 31 March 2019	At 31 March 2018
	£'000	£'000
Not later than one year	40	1
Later than one year not later than five years	142	-
	182	1

Lease payments recognised as an expense during the year was £8,000 (2017/18 £9,000).

16. 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.

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.

Transactions with South Bucks District Council as sole Corporate Trustee

	2018/19	2017/18
	£'000	£'000
As at 31 March included in creditors:-		
Funding payable to SBDC	1,645	1,453
Loans payable to SBDC	1,574	1,662
For the year ended 31 March included within the Statement of Financial Activities:-		
Interest payable on loans to SBDC	36	32

17. 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 2018/19 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 2018/19 accounts there are no contingent liabilities to disclose.

18. 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 2018/19 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 2018/19 accounts there are no significant non-adjusting events to disclose.

Opinion

We have audited the financial statements of Farnham Park Sports Fields (the 'charity') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees'

report; or

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.

Philip Mullis FCCA MAAT (Senior Statutory Auditor)
For and on behalf of Wilkins Kennedy Audit Services
Anglo House
Bell Lane Office Village
Bell Lane, Amersham
Buckinghamshire
HP6 6FA

14th January 2020

Wilkins Kennedy Audit Services is eligible for appointment as auditor by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

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SBDC AUDIT COMMITTEE WORK PROGRAMME

Topic	14 Jan 20	19 Mar 20
Assurance Statements		
Annual Governance Report		
Internal Audit		
Interim Progress Reports		
Annual Internal Audit Report		
External Audit		
Certification of Claims & Returns Annual Report		
Other		
Work Programme		

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