

<b>SUBJECT:</b>	<b>FARNHAM PARK CHARITY – OUTTURN &amp; ACCOUNTS 2018/19</b>
<b>REPORT OF:</b>	<b>Director of Resources</b>
<b>RESPONSIBLE OFFICER</b>	<b>Director of Resources</b> <b>Jim Burness email jim.burness@southbucks.gov.uk</b>
<b>WARD/S AFFECTED</b>	<b>N/a</b>

## 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
<b>Farnham Park Sports Fields</b>				
Income	68	50	-18	74
Expenditure	-167	-158	9	-183
Depreciation	-10	-10	-	-10
	-109	-118	-9	-119
<b>South Buckinghamshire Golf</b>				
Income	660	628	-32	585
Expenditure	-588	-523	65	-532
Depreciation	-64	-64	-	-82
	8	41	33	-29
<b>South Buckinghamshire Catering</b>				
Income	289	243	-46	254
Expenditure	-308	-316	-8	-323
Depreciation	-2	-2	-	-2
	-21	-75	-54	-71
<b>Total</b>	<b>-122</b>	<b>-152</b>	<b>-30</b>	<b>-219</b>

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
<b>Total</b>	<b>34,144</b>	<b>32,946</b>	<b>32,732</b>

**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.

<b>Background Papers:</b>	None
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