



## Report to Audit & Governance Committee

<b>Date:</b>	30 <sup>th</sup> November 2021
<b>Reference number:</b>	N/A
<b>Title:</b>	Farnham Park Sports Fields Charity Annual Report and Financial Statements 2020/21
<b>Relevant councillor(s):</b>	Cllr Clive Harriss
<b>Authors:</b>	Richard Ambrose (S151), Fiorella Mugari (HoF Communities)
<b>Contact Officers:</b>	Mark Young, Sophie Payne
<b>Ward(s) affected:</b>	Stoke Poges/ Farnham Royal

### **Recommendations:** Members are requested to:

- (i) Review the Farnham Park Sports Fields Charity audited Annual Report and Financial Statement for the year ended 31 March 2021 attached at Appendix 1 and raise any issues which may provide assurance needed to approve the Annual Report and Financial Statement.
- (ii) Subject to above, approve the Annual Report and Financial Statement for 2020/21.
- (iii) Authorise the Service Director – Corporate Finance & S151 Officer, following consultation with the Chairman, to make any final amendments to the Accounts arising from outstanding audit work prior to the approval of the accounts by the auditor. A verbal update will be given at the meeting to update Members around any outstanding audit work remaining.

### **Content of report**

1.1 The draft Annual Report and the Financial Statements for the year ended 31 March 2021 have been prepared in accordance with the requirements of the Charities Act 2011 and has

adopted the provisions of Accounting and Reporting by Charities Statement of Recommended Practice and Financial Reporting Standards.

1.2 The Farnham Park Sports Fields Charity accounts have been audited by Azets Audit Services. The auditors' report included within Appendix 1 is draft and may change once the outstanding audit work is completed and finalised.

1.3 The net worth of Farnham Park Sports Fields Charity has decreased by £226k from £678k in 2020 to £452k in 2021, of which £73k was depreciation of assets. The net operating expenditure for the year was £226k compared to £328k in 2019/20.

1.4 COVID-19 restrictions had a significant negative impact on the Charity's income during FY 2020/21, with the golf course facilities closed between late March 2020 and mid-May 2020, early November to early December 2020, and subsequently from early January 2021 to 29 March 2021, as a result of the national lockdowns; and social distancing restrictions in place during the limited period that the course was able to open. Catering and functions income were similarly impacted because of the national restrictions for hospitality, with even longer periods of closure required; and the sports fields, in common with the majority of playing field facilities, suffered from the restrictions in place on team sports. There was mitigation of £384k for some of these income losses through the Government's Support Scheme which improved the overall net operating loss compared to prior year.

1.5 While operating costs have been reduced wherever possible, savings at the golf course and playing fields during the periods of national lockdowns were limited, since the sites had to be maintained ready for a return to play, to avoid future loss of income. Staff vacancies were left unfilled during the financial year, with the remaining team working flexibly; this included the redeployment of staff members to the Council's wider Covid response whenever possible, including to help with managing unprecedented numbers of visitors to Country Parks, and to support surge testing.

1.6 Other actions taken have included:

- a) increasing prices for green fees by 5% per year to reflect the improved quality of the course and bring pricing in line with local competitor facilities. Prices for green fees are planned to increase again in FY 2022/23.
- b) A plan was in place to introduce a new golf membership card in April 2020, which was expected to generate additional income. Due to the COVID-19 restrictions on opening, this had to be postponed; it is anticipated that this will be introduced in early 2022.
- c) Annual increases to bar and catering prices above inflation rates, as recommended by the external stock taking company, and to fall in line with local courses. Bar and catering do not generate a profit of themselves but are

intrinsic part of the overall offer, which if removed, would likely impact negatively on golf income.

- d) At Farnham Park Playing Fields, prices for pitch hire have also been increased over the past three years and are expected to increase again for inflation in 2022/23.

1.7 As reported to the Committee in March 2021, provision was made within the Council's MTFP 2021/22 for growth to cover the Trust's projected operational losses. Work is also in hand to review the future operating arrangements with a focus on increasing financial sustainability, with the Service Improvement team currently undertaking an initial options appraisal to inform recommendations to CMT and Members.

### **Other options considered**

1.8 N/A

### **Legal and financial implications**

1.9 All the financial implications are included in the main body of the report and Appendix 1.

1.10 Legal Implications: The report addresses the statutory obligations placed on the Council as Trustee of the Farnham Park Sports Fields Charity, pursuant to section 132 of the Charities Act 2011  
Corporate implications

### **Corporate Implications**

1.11 None.

### **Consultation and communication**

1.12 None.

### **Next steps and review**

1.13 Any outstanding work on audit will be finalised over the coming week along with the audit report and any amendments resulting from this work will be actioned before the accounts are signed by the Chair of the Committee and S151 Officer.

### **Background papers**

Appendix 1: Annual Report and Financial Statement

