

Charity Trusts

Report number **C/05/23**

To	Representatives
Date	03 October 2023
Status	Exempt
Responsible officer	Secretary to the Trust

Subject	FINANCIAL UPDATE FOR THE DAVIS OAKLANDS CHARITY ACCOUNTS UPTO 31 AUGUST 2023 v.2
---------	---

RECOMMENDATION;

- 1. To receive and approve the pre-audit year-to-date financial statements of the Davis Oaklands Charitable Gift to 31 August 2023.**
- 2. To note that the accounts for years ending 2019 to 2023 did not comply to the charity's own policy but will ensure compliance for future submissions.**

INTRODUCTION

Hythe Town Council is a corporate trustee for Davis Oaklands Charitable Gift. Davis Oaklands is the only charity that holds a trust bank account and has income and expenditure reports.

On 31 August 2023, Davis Oaklands Charitable Gift held £257,430.50 in its Natwest current bank account and £80,000 in its Charity Bank account along with investment accounts holding £34,058.44 and £40,484.02.

The Charity has gained £11,601.93 as income since March 2023 mostly from the rental of the Hythe Library by Kent County Council, quarterly rent of £5812.50 and interest on the loan £3,858.01. The Charibond and Charifund accounts have produced interest of £1,931.42 this financial year to date.

Charity Bank has now been opened and holds £80,000 of the charity's money.

Two of the three new bank accounts that were in the progress of being opened, United Trust Bank, and The Cambridge Building Society to protect the charities £85k limits on each account are still being progressed as authorised signatories have not been updated yet through the charity. These needs to be done for the accounts to be opened. An item on this meetings agenda to authorise this has been added.

A payment of £5,000 will be released in October to Teach Me Courses as the second instalment for the artwork on the Oaklands Bandstand. This was agreed at the charities meeting in February 2023.

Hythe Town Council recharges of £5,505.45 for items paid for via the council (reported at the council's finance committee meetings under payments) consisting mainly of minor works to the building, curator's expenses and the Hythe Town Council Service charge are due to be paid in September.

Since version.1 of this report was circulated, a Representative of the Trust has highlighted to the Secretary that the accounts that have been submitted to the Charities Commission each year (for year's ending 2019 to 2023) have not conformed with policy that the Charity adopted.

The Statement of Recommended Practice (SORP) Accounting and Reporting by charities issued in March 2005¹.

An administration error was discovered: the funds of the Charity have been omitted at the bottom of the submissions. This has now been rectified.

Although the charity does not have to comply with the FRS.102 as it is not applicable² and the Charities Commission has not questioned this, it has always been the charity's policy to submit its accounts in this manner.

The accounts that representatives have been receiving since 2019 are management accounts and can be presented in any manner.

The Secretary of the Trust has agreed that going forward the attached reverted and tweaked format will be used for reporting to representatives and the Charities Commission.

It has also been highlighted that the loan income of £3,600 paid from Hythe Town Council should not be treated as income. This has now also been corrected.

¹ The 2005 SORP was superseded in 2019.

² FRS 102 is not applicable to the Davis Oakland Charity on two counts firstly it does not operate on an accrual's basis and secondly because the annual income is well below the minimum threshold (£250k) for mandatory compliance.

Further work may be required with the internal auditor, the charity and the charities commission to ensure the charity is compliant going forward.

CONTACT OFFICER

If you have any queries about this report, please contact the Secretary to the Trust on

Tel: 01303 266152 or email Clerk@hythe-tc.gov.uk prior to the meeting.