



www.guildford.gov.uk

Contact Officer:

John Armstrong, Democratic Services Manager

Date Not Specified

Dear Councillor

Your attendance is requested at a meeting of the **EXECUTIVE SHAREHOLDER AND TRUSTEE COMMITTEE** to be held in the Microsoft Teams on **THURSDAY, 4 MARCH 2021** at 4.00 pm.

Yours faithfully

James Whiteman
Managing Director

MEMBERS OF THE EXECUTIVE SHAREHOLDER AND TRUSTEE COMMITTEE

Chairman:
Councillor Joss Bigmore (Leader of the Council)

Vice-Chairman:
Councillor Caroline Reeves (Deputy Leader of the Council)

Councillor Jan Harwood
Councillor John Redpath

Authorised Substitute Members:

WEBCASTING NOTICE

This meeting will be recorded for live and/or subsequent broadcast on the Council's website in accordance with the Council's capacity in performing a task in the public interest and in line with the Openness of Local Government Bodies Regulations 2014. The whole of the meeting will be recorded, except where there are confidential or exempt items, and the footage will be on the website for six months.

If you have any queries regarding webcasting of meetings, please contact Committee Services.

QUORUM 3

THE COUNCIL'S STRATEGIC FRAMEWORK

Vision – for the borough

For Guildford to be a town and rural borough that is the most desirable place to live, work and visit in South East England. A centre for education, healthcare, innovative cutting-edge businesses, high quality retail and wellbeing. A county town set in a vibrant rural environment, which balances the needs of urban and rural communities alike. Known for our outstanding urban planning and design, and with infrastructure that will properly cope with our needs.

Three fundamental themes and nine strategic priorities that support our vision:

| | |
|---------------------|--|
| Place-making | Delivering the Guildford Borough Local Plan and providing the range of housing that people need, particularly affordable homes |
| | Making travel in Guildford and across the borough easier |
| | Regenerating and improving Guildford town centre and other urban areas |
| Community | Supporting older, more vulnerable and less advantaged people in our community |
| | Protecting our environment |
| | Enhancing sporting, cultural, community, and recreational facilities |
| Innovation | Encouraging sustainable and proportionate economic growth to help provide the prosperity and employment that people need |
| | Creating smart places infrastructure across Guildford |
| | Using innovation, technology and new ways of working to improve value for money and efficiency in Council services |

Values for our residents

- We will strive to be the best Council.
- We will deliver quality and value for money services.
- We will help the vulnerable members of our community.
- We will be open and accountable.
- We will deliver improvements and enable change across the borough.

A G E N D A

ITEM NO.

1 APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES

2 DISCLOSURE OF INTERESTS

In accordance with the Councillors' Code of Conduct, a councillor is required to disclose at the meeting any disclosable pecuniary interest (DPI) that they may have in respect of any matter for consideration on this agenda. Any councillor with a DPI must not participate in any discussion or vote regarding that matter and they must also withdraw from the meeting immediately before consideration of the matter.

If that DPI has not been registered, the councillor must notify the Monitoring Officer of the details of the DPI within 28 days of the date of the meeting.

Councillors are further invited to disclose any non-pecuniary interest which may be relevant to any matter on this agenda, in the interests of transparency, and to confirm that it will not affect their objectivity in relation to that matter.

3 MINUTES (Pages 5 - 6)

To confirm the minutes of the meeting of the Committee held on 1 September 2020 as a correct record.

4 ANNUAL RETURNS FOR COMPANIES (Pages 7 - 44)

5 ANNUAL RETURNS FOR CHARITIES (Pages 45 - 62)

6 UPDATE ON MANAGEMENT ARRANGEMENTS FOR WOODBRIDGE ROAD SPORTS GROUND CHARITY (Pages 63 - 66)

Key Decisions:

Any item on this agenda that is marked with an asterisk is a key decision. The Council's Constitution defines a key decision as an executive decision which is likely to result in expenditure or savings of at least £200,000 or which is likely to have a significant impact on two or more wards within the Borough.

Under Regulation 9 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, whenever the Executive intends to take a key decision, a document setting out prescribed information about the key decision including:

- the date on which it is to be made,
- details of the decision makers,
- a list of the documents to be submitted to the Executive in relation to the matter,
- how copies of such documents may be obtained

must be available for inspection by the public at the Council offices and on the Council's website at least 28 clear days before the key decision is to be made. The relevant notice in respect of the key decisions to be taken at this meeting was published as part of the Forward Plan on 2017.

**Please contact us to request this document in an
alternative format**

EXECUTIVE SHAREHOLDER AND TRUSTEE COMMITTEE

MINUTES OF MEETING HELD ON

TUESDAY 1 SEPTEMBER 2020

- *Councillor Caroline Reeves (Chairman)
- *Councillor Joss Bigmore (Vice-Chairman)
- *Councillor Jan Harwood
- *Councillor Tim Anderson

* Present

Action By

1. APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES

Apologies for absence were received from Councillor John Redpath and Councillor Tim Anderson attended as a substitute.

2. DISCLOSURE OF INTERESTS

There were no declarations of interest.

3. EXCLUSION OF THE PUBLIC

The Committee

RESOLVED: That under Section 100A (4) of the Local Government Act 1972 (as amended) and Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting for the consideration of information contained in Item 4 below on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the 1972 Act.

4. ARRANGEMENTS TO RUN AND MANAGE ASSETS RELATED TO WOODBRIDGE ROAD SPORTSGROUND CHARITABLE TRUST

The Committee considered a report setting out a new management structure for the Trust with terms and conditions designed to create a financially self-sustaining venue for the community and operated in compliance with the requirements of the Charities Act 2011.

Beejal Soni

All stakeholders involved in the new structure were in agreement with the proposals. It was now necessary for the Committee to scrutinise arrangements and to indicate its approval. It was also necessary for an application to be submitted to the Charity Commission to obtain an exemption which would permit the Charitable Trustee to award a lease to the Management Company of which it was a shareholder. Without this exemption, the proposals could not be brought into effect.

The Committee were in unanimous agreement of the recommendations in the report and also the ambitions envisaged for the future of the Sportsground as a successful commercial and community venue. Concerns about the impact of Covid-19 affecting those ambitions were acknowledged, as was the case for many other venues.

Having considered the proposals in the report, the Committee

RESOLVED:

- (1) To approve the Trust property management strategy;
- (2) To approve the submission of an application for exemption to the Charity Commission;
- (3) To authorise the Director of Service Delivery, in consultation with the Leader of the Council, to take all steps necessary to implement the decision of the Charity Commission.

Reason:

To ensure that the Charity continues to operate in a manner which promotes charitable objectives whilst reducing the financial contribution of the Council.

Executive Shareholder and Trustee Committee Report

Ward(s) affected: All

Report of Director of Finance

Author: Beejal Soni, Specialist Solicitor (Projects, Corporate and Commercial)

Tel: 01483 444036

Email: beejal.soni@guildford.gov.uk

Lead Councillor responsible: Tim Anderson

Tel: 07710 328560

Email: tim.anderson@guildford.gov.uk

Date: 4 March 2021

Annual Returns for Companies

Executive Summary

On 23 February 2016, the Executive resolved to establish two wholly owned companies; North Downs Housing Limited (the "Housing Company") and Guildford Borough Council Holdings Limited (the "Holding Company"). The Council is the sole shareholder of Guildford Borough Council Holdings Ltd and in turn Guildford Borough Council Holdings Ltd is the sole shareholder of North Downs Housing Ltd.

At its meeting on 26 September 2017, the Executive Shareholder and Trustee Committee (ESTC) held a shareholder Annual General Meeting (AGM) for both companies. At the meeting, the Committee:

- appointed the Directors of each company for a 4-year term
- agreed a delegations matrix setting out the role of the directors of each board and the role of the ESTC
- approved the updated North Downs Housing Business Plan 2016-2046

The accounts of each company have been prepared and approved by each Board within the required timescales. The accounts of Guildford Borough Council Holdings Ltd are disclosed at Appendix 1 and the accounts of North Downs Housing Ltd are disclosed at Appendix 2.

Recommendation to Committee:

That the annual accounts for each company be reviewed and noted.

Reasons for Recommendation:

To fulfil the Council's corporate governance duties in respect of its subsidiary companies

Is this report (or part of it) exempt from publication? No

1. Purpose of Report

- 1.1 This report presents several company documents and reports to ensure the Council, as sole shareholder of the holding company, is able to review

company business. This will assist the shareholder to exercise oversight of its subsidiaries.

2. Strategic Priorities

- 2.1 The establishment of the Housing Company in 2016 was part of introducing new ways of working at the Council. The objectives of the Housing Company are:
 - 2.1.1 To meet in such manner as the Company thinks fit identified housing need and increase the provision of new housing in the Guildford Borough and surrounding areas;
 - 2.1.2 To generate returns for the Council's general fund;
 - 2.1.3 To accelerate development of brownfield land in the Guildford Borough; and
 - 2.1.4 To carry on any other business or do such other things which may seem to the Company capable of being conveniently carried on in connection with any of the specified objects, or calculated to enhance the value of the Company's services, assets, property or rights.

3. Background

- 3.1 On 23 February 2016, the Executive resolved to establish two wholly owned companies; North Downs Housing Limited (the "Housing Company") and Guildford Borough Council Holdings Limited (the "Holding Company"). The Council is the sole shareholder of Guildford Borough Council Holdings Ltd and in turn Guildford Borough Council Holdings Ltd is the sole shareholder of North Downs Housing Ltd.
- 3.2 Under the Companies Act 2006, a director must exercise the care, skill and diligence, which would be exercised by a reasonably diligent person (the full test is set out in more detail within the Companies Act; there is both an objective test and a subjective test).
- 3.3 Elected members of Guildford Borough Council currently sit on the boards of both companies. The duty of any company director is to act in the best interests of the company for the benefit of its shareholders as a whole. An elected member on a board of directors therefore has a statutory duty to promote the success of the company and to exercise independent judgement in the same manner as any other director.
- 3.4 The Housing Company is a private company limited by shares. Part 4 of the Articles of Association for the Housing Company sets out the parameters for decision making by its shareholder. (See also articles 37 to 47 Companies Act 2006 for further background).
- 3.5 The Housing Company and the Holding Company are not public companies or private traded companies, therefore under the Companies Act; they are not required to hold an Annual General Meeting (AGM) however they can do so if they wish.

- 3.6 The companies have both appointed an external company secretary; Quorum Corporate Services Limited who have undertaken the relevant filing of information with Companies House on behalf of the Companies.

North Downs Housing Ltd

- 3.7 The accounts of North Downs housing Ltd are presented at Appendix 1.

Guildford Borough Council Holdings Ltd

- 3.8 The accounts of Guildford Borough Council Holdings Ltd are presented at Appendix 2. The company has no tradeable activities of its own and its main purpose is to be the holding company shareholder for North Downs Housing Ltd and any other wholly owned companies that the Council may choose to set up in due course. As such the income and expenditure account records a small loss relating to administrative and interest expenses. The company has recorded assets of £3million representing its equity shareholding of North Downs Housing Ltd.

4. Consultations

- 4.1 No consultations have been undertaken in relation to this report.

5. Key Risks

- 5.1 A recent report into arrangements for the companies recommended a number of actions to improve the governance of the companies.
- 5.2 The Council has determined, and the companies have agreed, to bring the Company Secretarial function in house in order to ensure greater oversight of company activities.

6. Financial Implications

- 6.1 The Council has an approved a budget of £25.3million split between £15.2million loan financing to North Downs Housing (60%) and £10.1million equity financing to Guildford Borough Council Holdings Ltd (40%) to enable North Downs Housing to implement the first four years of its 2016 to 2046 business plan.

7. Legal Implications

- 7.1 The Council, acting through the Executive Shareholder and Trustee Committee, has the power to operate and manage the abovementioned companies using the General Power of Competence under Section 1 of the Localism Act 2011. In exercising its powers over the company, the Council remains subject to its general duties, such as its fiduciary duty, and must exercise the power with a proper purpose.
- 7.2 S2 of the Localism Act 2011 confirms that the Council's exercise of powers over the companies is limited where it overlaps with a power which pre-dates it. Accordingly, the Council must comply with S95 of the Local Government Act 2003 and the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009.
- 7.3 This report is prepared in compliance with the above-mentioned legislation as well as The Companies Act 2006.

- 7.4 It is confirmed that the appointments detailed within this report comply with the requirements of the Articles of Association for Guildford Borough Council Holdings Ltd and North Downs Housing Ltd.

8. Human Resource Implications

- 8.1 There are no human resources implications as a result of this report.

9. Equality and Diversity Implications

- 9.1 There are no equality and diversity implications as a result of this report.

10. Climate Change/Sustainability Implications

- 10.1 There are no climate change / sustainability implications from this report.

11. Summary of Options

- 11.1 No options have been considered.

12. Conclusion

- 12.1 The Executive Shareholder and Trustee Committee is asked to note the accounts for the Council's subsidiary companies, Guildford Borough Council Holdings Ltd and North Downs Housing Ltd which have been presented as part of this report. The ESTC is also asked to approve the change in directorship for both companies.

13. Background Papers

None

14. Appendices

Appendix 1: Guildford Borough Council Holdings Ltd - Accounts for year ending 31 March 2020

Appendix 2: North Downs Housing Ltd - Accounts for year ending 31 March 2020

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED
GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31st March 2020

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

**GROUP ANNUAL REPORT AND THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31st MARCH 2020**

CONTENTS

| | |
|-----------------------------------|---|
| Company Information | 2 |
| Directors' Report | 3 |
| Statement of Accounting Policies | 5 |
| Profit and Loss Account | 6 |
| Balance Sheet | 7 |
| Notes to the Financial Statements | 8 |

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED
COMPANY INFORMATION
FOR THE PERIOD ENDED 31st March 2020

| | |
|--------------------|---|
| Directors: | A J E Hodges A H Maunders D Paul J M Whiteman |
| Company Secretary: | Quorum Secretaries Limited |
| Registered Office: | The Office 47 Watchetts Drive Camberley Surrey GU15 2PQ |
| Registered Number: | 10152910 |

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31st March 2020

Directors' Report

The Directors present their report with the financial statements of the company for the period ended 31st March 2020. The fourth annual report and financial statements, including group accounts.

Principal Activities

To act as a holding company, owning shares of other companies to form a corporate group.

Directors

The Directors, who have held office during the year, are as follows:

| Name | Date of Appointment | Date of resignation |
|--------------|---------------------------------|----------------------------|
| A J E Hodges | 28 th April 2016 | N/A |
| A H Maunders | 28 th April 2016 | N/A |
| D Paul | 28 th April 2016 | N/A |
| J M Whiteman | 26 th September 2017 | N/A |

| Company Secretary | Date of Appointment |
|----------------------------|----------------------------|
| Quorum Secretaries Limited | 17 th May 2017 |

Statement of Going Concern

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified.

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31st March 2020

The Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

The directors have elected to prepare the accounts, as permitted by the Companies Act 2006, in accordance with United Kingdom Generally Accepted Accounting Practice (UK accounting standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these accounts, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Board on 11 January 2021.

This report has been prepared in accordance with the FRS 102 and Companies Act 2006.

By order of the Board:

.....
J M Whiteman - Director

Date:

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

STATEMENT OF ACCOUNTING POLICIES

FOR THE PERIOD ENDED 31st MARCH 2020

Basis of Preparation

These financial statements have been prepared on the going concern basis and in accordance with FRS 102 and the Companies Act 2006 and Groups (Accounts and Directors' Report) Regulations 2008. The Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company for the reporting period and are presented in Pounds Sterling.

The Company is a private limited company incorporated in England and Wales and is a wholly owned subsidiary of Guildford Borough Council, which is required to prepare accounts in accordance with IFRS adapted for the UK public sector by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

1. Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been, applied consistently throughout the financial statements.

Accrual Accounting

These activities are accounted for in the year that it took place and when a right to consideration exists, not simply when cash payments are made or received.

2. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of less than 24 hours.

3. Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Liabilities

Financial liabilities are initially measured at the transaction price. For goods and services purchased from a supplier on short-term credit, for example, a payable is recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

Financial Assets

Financial assets are initially measured at the transaction price. Fixed asset investments are included at cost less impairment.

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

FOR THE YEAR ENDED 31st MARCH 2020

| | Notes | 2019-20 | 2018-19 |
|---|--------------|----------------|----------------|
| | | £ | £ |
| Turnover | | 407,389 | 193,318 |
| Cost of sales | | (13,914) | (8,704) |
| Gross profit or (loss) | | 393,475 | 184,614 |
| Distribution costs | | 0 | 0 |
| Administrative expenses | | (283,468) | (162,077) |
| Operating profit | | 110,007 | 22,537 |
| Other operating income | | 629 | 3,717 |
| Gain on disposal of freehold property | | | 0 |
| Unrealised gain/(loss) on revaluation of property and investments | | (206,628) | (618,051) |
| Other interest receivable | | | 0 |
| Interest payable and similar charges | 1 | (370,024) | (197,024) |
| Profit or loss before tax | | (466,016) | (788,821) |
| Tax on profit or loss on ordinary activities | | 88,103 | 149,792 |
| Profit or loss for the financial year | | (377,913) | (639,029) |

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED**GROUP STATEMENT OF FINANCIAL POSITION****FOR THE YEAR ENDING 31st MARCH 2020**

| | <i>Notes</i> | 2019-20 £ | 2018-19 £ |
|---|--------------|----------------------------|----------------------------|
| Fixed assets | | | |
| Investments | 2 | 13,157,334 | 7,182,628 |
| | | <u>13,157,334</u> | <u>7,182,628</u> |
| Current assets | | | |
| Trade debtors | | 1,909 | 15,342 |
| Other debtors | 3 | 276,732 | 210,356 |
| Cash at bank and in hand | | 65,496 | 17,266 |
| | | <u>344,137</u> | <u>242,965</u> |
| Creditors: amounts falling due within one year | | | |
| Trade creditors | 4 | (343,341) | (200,125) |
| Net current assets | | <u>796</u> | <u>42,840</u> |
| Total assets less current liabilities | | 13,158,130 | 7,225,468 |
| Creditors: amounts falling due after one year | | | |
| Bank loans and overdrafts | 5 | (8,847,907) | (4,913,732) |
| | | <u>4,310,223</u> | <u>2,311,736</u> |
| Capital and reserves | | | |
| Called up share capital: Allotted ordinary £1 shares | 6 | 5,459,800 | 3,083,400 |
| Profit and (loss) account | | (1,149,577) | (771,664) |
| | | <u>4,310,223</u> | <u>2,311,736</u> |

Directors' responsibilities:

- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.
- These accounts have been prepared in accordance with the provisions of the Companies Act 2006 and FRS 102.

The financial statements were approved by the Board of directors on XXth July 2020 and were signed on its behalf by:

.....
J M Whiteman - Director

Date:

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED
GROUP CASHFLOW STATEMENT
FOR THE YEAR ENDING 31st MARCH 2020

| <u>2018/19</u> | | <u>Note</u> | <u>2019/20</u> |
|-----------------|---|-------------|-----------------|
| £ | | | £ |
| (639,029) | Net surplus or (deficit) on the provision of services | | (377,913) |
| 559,092 | Adjustment to surplus or deficit on the provision of services for noncash movements | 10a | 296,901 |
| | Adjust for items included in the net surplus or deficit | | |
| | on the provision of services that are investing and financing activities | C1 | 0 |
| <u>(79,937)</u> | Net Cash flows from operating activities | | <u>(81,011)</u> |
| (3,380,328) | Net Cash flows from Investing Activities | 10b | (6,181,334) |
| 3,397,735 | Net Cash flows from Financing Activities | 10c | 6,310,575 |
| <u>(62,530)</u> | Net increase or (decrease) in cash and cash equivalents | | <u>48,230</u> |
| 79,796 | Cash and cash equivalents at the beginning of the reporting period | | 17,266 |
| <u>17,266</u> | Cash and cash equivalents at the end of the reporting period | | <u>65,496</u> |

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31st MARCH 2020

1 Interest payable and similar charges

| | <u>2019-20</u> | <u>2018-19</u> |
|---------------|-----------------------|-----------------------|
| | <u>£</u> | <u>£</u> |
| Bank charges | 388 | 250 |
| Loan Interest | <u>369,575</u> | <u>196,735</u> |
| | <u>369,963</u> | <u>196,985</u> |

2 Fixed Assets Investments

| Fair Value | Investment Property | Other Investment | Total |
|------------------------------|--------------------------------|-----------------------------|-------------------|
| Cost | £ | £ | £ |
| As at 1st April 2019 | 7,800,679 | 0 | 7,800,679 |
| Additions | 6,181,334 | 0 | 6,181,334 |
| As at 31st March 2020 | 13,982,013 | 0 | 13,982,013 |
| Revaluation | | | |
| As at 1st April 2019 | (618,051) | 0 | (618,051) |
| Additions | (206,628) | | (206,628) |
| As at 31st March 2020 | (824,679) | 0 | (824,679) |
| Provisions | | | |
| As at 1st April 2019 | 0 | 0 | 0 |
| As at 31st March 2020 | 0 | 0 | 0 |
| Net Book Value | | | |
| As at 1st April 2019 | 7,182,628 | 0 | 7,182,628 |
| As at 31st March 2020 | 13,157,334 | 0 | 13,157,334 |

Property cost include purchase price and transaction costs in line with FRS102.

Properties are revalued by to show fair cost. Any increase/fall in value is charged to to the comprehensive income and expenditure accounts and valuation shown as no distributable income

3 **Debtors**

| | <u>2019-20</u> | <u>2018-19</u> |
|--|-----------------------|-----------------------|
| | <u>£</u> | <u>£</u> |
| Trade Debtors | 1,909 | 15,342 |
| Others | | |
| Deferred Taxation | 268,804 | 180,700 |
| Deferred Income and Prepayments | 7,837 | 29,597 |
| | <u>278,550</u> | <u>225,639</u> |

4 **Creditors: amounts falling due within one year**

| | <u>2019-20</u> | <u>2018-19</u> |
|------------------------------------|-----------------------|-----------------------|
| | <u>£</u> | <u>£</u> |
| Bank loans and overdrafts: secured | | 0 |
| Trade creditors | 342,141 | 200,125 |
| Corporation tax | | 0 |
| Other creditors | | 0 |
| Accruals and deferred income | | 0 |
| | <u>342,141</u> | <u>200,125</u> |

The 'Trade Creditors' total includes £326,512, £174,505(2018/19) payable to a related party, Guildford Borough Council, for services provided in the period to 31st March 2020.

5 **Amounts repayable after more than one year**

| | <u>2019-20</u> | <u>2018-19</u> |
|--------------------------------------|-------------------------|-------------------------|
| | <u>£</u> | <u>£</u> |
| Loan repayable in instalments | | |
| Opening Balance | 4,913,732 | 2,796,397 |
| Capitalised Interest | 369,575 | 196,735 |
| Additions | 3,564,600 | 1,920,600 |
| Closing Balance | <u>8,847,907</u> | <u>4,913,732</u> |

The loans are secured against the investment properties of the company

6 **Share Capital**

| | <u>2019-20</u> | <u>2018-19</u> |
|--|-------------------------|-------------------------|
| | <u>£</u> | <u>£</u> |
| £1 ordinary shares issued | | |
| Opening Balance | 3,083,400 | 1,803,000 |
| Additional Issued During the Year | 2,376,400 | 1,280,400 |
| Closing Balance (Issued shares) | <u>5,459,800</u> | <u>3,083,400</u> |

8 Related Party Disclosures

Ultimate parent

The Directors of the company regard Guildford Borough Council, a local authority in England and Wales, as the ultimate parent of the Company. The address of the Council's principal place of business is Guildford Borough Council, Millmead House, Millbrook, Guildford, Surrey GU2 4BB. Guildford Borough Council own 100% of the 5,459,800 £1.00 ordinary shares issued by Guildford Borough Council Holdings Ltd.

9 Audit Fees

| | <u>2019-20</u> | <u>2018-19</u> |
|------------------------|----------------|----------------|
| Audit/Accountancy Fees | 12,000 | |

10a **Cash Flow Statement - Operating Activities**

The cash flows for operating activities include the following items:

| 2018/19 | | 2019/20 |
|-----------|--------------------|-----------|
| £ | | £ |
| | Interest received | 0 |
| (197,024) | Interest paid | (370,024) |
| | Dividends received | 0 |

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

| 2018/19 | | 2019/20 |
|----------------|--|----------------|
| | Depreciation | 0 |
| 618,051 | Impairment and downward valuations | 206,628 |
| | Amortisation | 0 |
| | Movement in contract assets, liabilities and costs (IFRS 15) | 0 |
| | Deferred revenue/ deferred payment agreements (IFRS 15) | 0 |
| | Increase/(decrease) in impairment for bad debts | 0 |
| 132,555 | Increase/(decrease) in creditors | 143,216 |
| (191,513) | (Increase)/decrease in debtors | (52,943) |
| | (Increase)/decrease in inventories | 0 |
| | Movement in pension liability | 0 |
| | Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised | 0 |
| <u>559,092</u> | | <u>296,901</u> |

10b Cash Flow Statement - Investing Activities

| 2018/19 £ | | 2019/20 £ |
|--------------------|--|--------------------|
| (3,380,328) | Purchase of property, plant and equipment, investment property and intangible assets | (6,181,334) |
| | Purchase of short-term and long-term investments | 0 |
| | Other payments for investing activities | 0 |
| | Proceeds from the sale of property, plant and equipment, investment property and intangible assets | 0 |
| | Proceeds from short-term and long-term investments | 0 |
| | Other receipts from investing activities | 0 |
| <u>(3,380,328)</u> | Net cash flows from investing activities | <u>(6,181,334)</u> |

10c Cash Flow Statement - Financing Activities

| 2018/19 £ | | 2019/20 £ |
|------------------|--|------------------|
| 2,117,335 | Cash receipts of short- and long-term borrowing | 3,934,175 |
| 1,280,400 | Other receipts from financing activities | 2,376,400 |
| | Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts | 0 |
| | Repayments of short- and long-term borrowing | 0 |
| | Other payments for financing activities | 0 |
| <u>3,397,735</u> | Net cash flows from financing activities | <u>6,310,575</u> |

Agenda item number: 4

Appendix 1

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

SUPPLEMENTARY ACCOUNTS

ANNUAL REPORT AND ACCOUNTS OF GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31 MARCH 2020

| | 2019-20 | 2018-19 |
|---|----------------|----------------|
| | £ | £ |
| Turnover | 0 | 0 |
| Cost of sales | 0 | 0 |
| Gross profit | 0 | 0 |
| Distribution costs | 0 | 0 |
| Administrative expenses | (2,254) | (405) |
| Operating profit | (2,254) | (405) |
| Other operating income | 0 | 0 |
| Gain on disposal of freehold property | 0 | 0 |
| Unrealised surplus on revaluation of property and investments | 0 | 0 |
| Other interest receivable | 0 | 0 |
| Interest payable and similar expenses | (61) | (39) |
| Profit/(loss) before tax | (2,315) | (444) |
| Tax on profit /(loss) | 0 | 0 |
| Profit/(loss) after taxation | (2,315) | (444) |

ANNUAL REPORT AND ACCOUNTS OF GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

| GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED | | 2019-20 | 2018-19 |
|--|--------------|------------------|------------------|
| BALANCE SHEET FOR THE YEAR ENDING 31 MARCH 2020 | <i>Notes</i> | £ | £ |
| Fixed assets | | | |
| Investments | | | |
| Shares in group undertakings and participating interests | | 5,456,780 | 3,080,380 |
| Current assets | | | |
| Debtors and pre-payments | | - | - |
| Other debtors | | 91 | 58 |
| Cash at bank and in hand | | 534 | 1,682 |
| | | <u>625</u> | <u>1,740</u> |
| Creditors: | | | |
| amounts falling due within one year | | (1,200) | - |
| Net current assets | | <u>(575)</u> | <u>1,740</u> |
| Total assets less current liabilities | | <u>5,456,205</u> | <u>3,082,120</u> |
| Creditors: amounts falling due after one year | | | |
| Bank loans and overdrafts | | - | - |
| | | <u>5,456,205</u> | <u>3,082,120</u> |
| Capital and reserves | | | |
| Called up share capital: ordinary £1 shares | | 5,459,800 | 3,083,400 |
| Profit and loss account | | (3,595) | (1,280) |
| | | <u>5,456,205</u> | <u>3,082,120</u> |

ANNUAL REPORT AND ACCOUNTS OF GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

Notes

| 1. Fixed assets | 2019-20 | 2018-19 |
|--------------------------------|------------------|------------------|
| Fixed Asset Investments | | |
| | £ | £ |
| Fair value | | |
| At 1 April 2019 | 3,080,380 | 1,799,980 |
| Additions | 2,376,400 | 1,280,400 |
| Revaluation | | 0 |
| At 31 March 2020 | <u>5,456,780</u> | <u>3,080,380</u> |

Fixed asset investments refer to the company's 100% ownership of North Downs Housing Limited and are shown at cost less any provision for losses.

During the period to 31st March 2019 the Company paid £2,376,400 to North Downs Housing Limited in consideration for 100% of the allotted £1 ordinary shares.

| 2. Debtors | 2019-20 | 2018-19 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | | 0 |
| Other debtors: | | |
| Prepayments and accrued income | 91 | 58 |
| | <u>91</u> | <u>58</u> |

| 3. Audit Fees | 2019-20 | 2018-19 |
|--|----------------|----------------|
| | £ | £ |
| Audit/Accountancy Fees | 1,560 | - |
| <i>Out of the sum of £1560 paid in 2019/20 £360 relates to 2018/19 not provided for in the accounts.</i> | | |

| 4. Creditors | 2019-20 | 2018-19 |
|--|----------------|----------------|
| | £ | £ |
| - due within one year (accountancy fees) | 1,200 | - |

| 5. Employee numbers | 2019-20 | 2018-19 |
|--|----------------|----------------|
| The average number of persons employed by the company was: | 0 | 0 |

This page is intentionally left blank



**NORTH DOWNS HOUSING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2020**

Agenda item number: 4

Appendix 2

NORTH DOWNS HOUSING LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED
31ST MARCH 2020**

CONTENTS

| | |
|-----------------------------------|----|
| Company Information | 2 |
| Directors' Report | 3 |
| Statement of Accounting Policies | 5 |
| Profit and Loss Account | 8 |
| Balance Sheet | 9 |
| Notes to the Financial Statements | 11 |

NORTH DOWNS HOUSING LIMITED
COMPANY INFORMATION

| | |
|--------------------|---|
| Directors: | S K Creedy M G F Parsons S Reekie G A Jackson |
| Company Secretary: | Quorum Secretaries Limited |
| Registered Office: | The Office 47 Watchetts Drive Camberley Surrey GU15 2PQ |
| Registered Number: | 10153122 |
| Bankers: | HSBC 12A North Street Guildford GU1 4AF |

NORTH DOWNS HOUSING LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31ST MARCH 2020

Directors' Report

The Directors present their report with the financial statements for the period ended 31st March 2020. This is the Company's third annual report and financial statements.

Principal Activities

North Downs Housing Ltd was established in 2016 to deliver on the following objectives:

- to meet in such a manner as the Company thinks fit, identified housing need and increase the provision of new housing in the Guildford borough and surrounding areas;
- to generate returns for the Council's General Fund;
- to accelerate development of brownfield land in the Guildford borough;
- to carry on any other business or do such other things which may seem to the company capable of being conveniently carried on in connection with any of the above specified objectives, or calculated to enhance the value of the Company's services, assets, property or rights.

In pursuance of the above objectives, the Company acquired 14 residential properties in the period to 31st March 2020, bringing the total number of residential properties owned to 40. At the reporting date, most of these properties were let or in the process of being let on the open market in accordance with the Company's stated policies.

Directors

The Directors, who have held office during the year, are as follows:

| Name | Date of Appointment | Date of resignation |
|---------------|------------------------------|----------------------------|
| S K Creedy | 28 th April 2016 | N/A |
| G A Jackson | 25 th June 2019 | N/A |
| M G F Parsons | 30 th August 2018 | N/A |
| S Reekie | 28 th April 2016 | N/A |
| C A Reeves | 30 th August 2018 | 25 th June 2019 |

Company Secretary

Quorum Secretaries Limited

Date of Appointment

1st February 2017

Statement of Going Concern

The Company's business activities together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of exposure to liquidity and cash flows have been considered by the Directors.

NORTH DOWNS HOUSING LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 31ST MARCH 2020

The Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

The directors have elected to prepare the accounts, as permitted by the Companies Act 2006, in accordance with United Kingdom Generally Accepted Accounting Practice (UK accounting standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these accounts, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Board on dd,mmm, 2020.

By order of the Board:

.....
Director

Date:

NORTH DOWNS HOUSING LIMITED
STATEMENT OF ACCOUNTING POLICIES
FOR THE PERIOD ENDED 31ST MARCH 2020

Basis of Preparation

The financial statements have been prepared in accordance with FRS 102 and in line with Companies Act 2006.

The financial statements have been prepared on a going concern basis. In adopting the going concern basis, the directors have taken into consideration the global epidemic of COVID 19 and its impact on the business activities. The directors have concluded that the risk to the business is limited and manageable on the basis of the ongoing demand for rented homes and in the light of our operational strategy on lettings and screening methods, tenancy support and rent collection.

The Financial Statements give a true and fair view of the assets and liabilities as represented in the statement of financial position and its comprehensive income and expenditure accounts of the company for the reporting period.

North Downs Housing Ltd is a private limited company incorporated in England and Wales and is a wholly owned subsidiary of Guildford Borough Council Holdings Limited. The Company's ultimate parent is Guildford Borough Council, which is required to prepare accounts in accordance with IFRS adapted for the UK public sector by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

1. Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently throughout the financial statements.

Accrual Accounting

Activity is accounted for in the year that it takes place and when a right to consideration exists, not simply when cash payments are made or received.

Expenditure

- Expenditure is debited to the relevant expenses account, unless it properly represents capital expenditure.
- Where payments are made in advance of a service being received, a payment in advance is recognised as a debtor in the balance sheet.
- Interest payable on borrowings is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows determined by the contract.
- Where expenditure has been recognised but cash has not been paid, a creditor for the relevant amount is recorded in the balance sheet.

Income

- Fees, charges and rents due from customers are accounted for as income at the date the Company provides the relevant goods or services.
- Revenue is measured at the fair value of the consideration received or receivable and recognised when prescribed conditions are met.
- Where income has been recognised but cash has not been received, a debtor for the relevant amount is recorded in the balance sheet.
- Where payments are received in advance of a service being provided a receipt in advance is recognised as a creditor in the balance sheet.

2. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of less than 24 hours.

3. Fixed Asset Investments

Investment property initially measured at cost plus directly attributable expenditure. The directly attributable expenditure includes professional fees for legal services, property transfer taxes and other transaction costs.

After initial recognition, investment property is measured at fair value in accordance with Section 16 of FRS102. Valuations have been carried out by independent valuers, Bruton Knowles. Properties acquired during the reporting period are measured at cost plus directly attributable expenditure. The fair value has been provided for each property by having regard to the investment potential of each property relative to market rent, reflecting the tenanted status and current leases, cash flows and reasonable assumptions about the future rental income or outgoings.

Note 2 provides further details on the valuation of the company's investment property.

4. Financial Instruments

Financial Liabilities

Financial liabilities are initially measured at the transaction price. For loans received at the market rate of interest, this is the amount of cash received less separately incurred transaction costs. For goods and services purchased from a supplier on short-term credit, a payable is recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

Loans are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For the loan shown in notes five and six, this means that the amount presented in the balance sheet is the outstanding principal repayable and interest charged to the profit and loss account is the amount payable for the year according to the loan agreement.

Financial Assets

Financial assets are initially measured at the transaction price. For goods or services provided to a customer on short-term credit, or similar, a receivable is recognised at the undiscounted amount of cash receivable from that customer, which is normally the invoice price. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of cash or other consideration expected to be paid or received.

5. Overheads and Support Services

Costs relating to finance and legal services, for example, are purchased as a supply and form part of the Company's administration costs.

6. VAT

VAT payable is included as an expense. The short-term rental of residential properties is exempt from VAT.

7. Corporation Tax

Corporation tax is accounted for in the profit and loss account on an accrued basis using an estimate of the corporate tax liability or asset for the year. Any losses are to be offset against future profits.

NORTH DOWNS HOUSING LIMITED
COMPREHENSIVE INCOME STATEMENT
FOR THE PERIOD ENDED 31ST MARCH 2020

| | Notes | 2019-20 £ | 2018-19 £ |
|---|--------------|----------------------------|----------------------------|
| Turnover | | 407,389 | 193,318 |
| Cost of sales | | | |
| Gross profit or (loss) | | 407,389 | 193,318 |
| Other operating costs | | (296,248) | (161,673) |
| Administrative expenses | | 1,121 | (8,704) |
| Operating profit | | 112,262 | 22,941 |
| Other operating income | | 629 | 3,717 |
| Gain on disposal of freehold property | | | 0 |
| Unrealised gain/(loss) on revaluation of property and investments | | (206,628) | (618,051) |
| Other interest receivable | | | 0 |
| Interest payable and similar charges | 1 | (368,162) | (196,985) |
| Profit or loss before tax | | (461,899) | (788,378) |
| Tax on profit or loss on ordinary activities | | 87,761 | 149,792 |
| Profit or loss for the financial year | | (374,138) | (638,586) |

NORTH DOWNS HOUSING LIMITED
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31ST MARCH 2020

| | | | |
|---|------|--------------------|--------------------|
| Fixed assets | | | |
| Investments | 1 | 13,157,334 | 7,182,628 |
| | | 13,157,334 | 7,182,628 |
| Current assets | | | |
| Trade debtors | | 1,909 | 15,342 |
| Other debtors | 2 | 276,299 | 210,298 |
| Cash at bank and in hand | | 64,962 | 15,584 |
| | | 343,170 | 241,224 |
| Creditors: amounts falling due within one year | | | |
| Trade creditors | 3 | (342,141) | (200,125) |
| Net current assets | | 1,029 | 41,099 |
| Total assets less current liabilities | | | |
| | | 13,158,363 | 7,223,727 |
| Creditors: amounts falling due after one year | | | |
| Bank loans and overdrafts | 5, 6 | (8,689,106) | (4,913,732) |
| | | 4,469,257 | 2,309,995 |
| Capital and reserves | | | |
| Called up share capital: Allotted ordinary £1 shares | 7 | 5,613,780 | 3,080,380 |
| Profit and (loss) account | | (1,144,523) | (770,385) |
| | | 4,469,257 | 2,309,995 |

The financial statements were approved by the Board of directors on 05 Oct 2020
and were signed on its behalf by:

.....

Date:

Director

NORTH DOWNS HOUSING LIMITED
STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31st MARCH 2020

| 31/03/2019 | | Note | 31/03/2020 |
|-------------------|---|-------------|-------------------|
| £ | | | £ |
| (638,586) | Net surplus or (deficit) on the provision of services | | (374,138) |
| 559,151 | Adjustment to surplus or deficit on the provision of services for noncash movements | 8 | 296,076 |
| (79,435) | Net Cash flows from operating activities | | (78,062) |
| (3,380,328) | Net Cash flows from Investing Activities | 9 | (6,181,334) |
| 3,397,735 | Net Cash flows from Financing Activities | 10 | 6,308,774 |
| (62,028) | Net increase or (decrease) in cash and cash equivalents | | 49,378 |
| 77,612 | Cash and cash equivalents at the beginning of the reporting period | | 15,584 |
| 15,584 | Cash and cash equivalents at the end of the reporting period | | 64,962 |

NORTH DOWNS HOUSING LIMITED
NOTES TO THE FINACIAL STATEMENTS
FOR THE PERIOD ENDED 31ST MARCH 2019

1. Interest payable and similar charges

| | 2019-20 | 2018-19 |
|------------------|----------------|----------------|
| | £ | £ |
| Bank charges | 388 | 250 |
| Interest payable | 367,774 | 196,735 |
| | <u>368,162</u> | <u>196,985</u> |

2. Fixed Asset Investments

| Fair value | Investment Property £ | Other Investments £ | Total £ |
|-----------------------|--------------------------------------|------------------------------------|--------------------|
| Cost | | | |
| At 1 April 2019 | 7,800,679 | 0 | 7,800,679 |
| Additions | 6,181,334 | 0 | 6,181,334 |
| At 31 March 2020 | <u>13,982,013</u> | <u>0</u> | <u>13,982,013</u> |
| Revaluation | | | |
| At 1 April 2019 | (618,051) | 0 | (618,051) |
| Additions | (206,628) | | (206,628) |
| At 31 March 2020 | <u>(824,679)</u> | <u>0</u> | <u>(824,679)</u> |
| Provisions | | | |
| At 1 April 2019 | 0 | 0 | 0 |
| At 31 March 2020 | <u>0</u> | <u>0</u> | <u>0</u> |
| Net book value | | | |
| At 1 April 2019 | 7,182,628 | 0 | 7,182,628 |
| At 31 March 2020 | <u>13,157,334</u> | <u>0</u> | <u>13,157,334</u> |

There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal. North Downs Housing Ltd is responsible for the repair and maintenance requirements of all investment properties.

Properties acquired in the financial year were £6,181,334, which are initially valued at costs, including acquisition cost and transaction costs in line with section 16 of FRS102. The total fair values of properties as at 31st March 2020 stood at £13,157,334 as presented by independent property valuation consultants, Bruton Knowles, reflecting the tenanted status of the properties. It should be noted that the fair value revaluation does not take account of the transaction costs associated with the acquisition of investment property.

3. Debtors

| | 2019-20 | 2018-19 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 1,909 | 15,342 |
| Other debtors: | | |
| Deferred taxation | 268,461 | 180,700 |
| Prepayments and accrued income | 7,838 | 29,598 |
| | 278,208 | 225,640 |

4. Creditors: amounts falling due within one year

| | 2019-20 | 2018-19 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Bank loans and overdrafts: secured | 0 | 0 |
| Trade creditors | 342,141 | 200,125 |
| Corporation tax | 0 | 0 |
| Other creditors | 0 | 0 |
| Accruals and deferred income | 0 | 0 |
| | 342,141 | 200,125 |

The 'Trade Creditors' total includes £326,512, £174,505(2018/19) payable to a related party, Guildford Borough Council, for services provided in the period to 31st March 2020. Also included are audit and accounting fees of £12,000.

5. Amounts repayable after more than one year

| | 2019-20 | 2018-19 |
|-------------------------------|------------------|------------------|
| | £ | £ |
| Loan repayable in instalments | 8,689,106 | 4,913,732 |

6. Secured borrowings

| | 2019-20 | 2018-19 |
|---|------------------|------------------|
| | £ | £ |
| Loan: secured on the property and other assets of the Company | 8,689,106 | 4,913,732 |

7. Share Capital

Share Capital

| | <u>2019-20</u> | <u>2018-19</u> |
|--|------------------|------------------|
| | £ | £ |
| £1 ordinary shares issued | | |
| Opening Balance | 3,080,380 | 1,799,980 |
| Issued During the Year | 2,533,400 | 1,280,400 |
| Closing Balance (Issued shares) | 5,613,780 | 3,080,380 |

2,533,400 shares were allotted during the period to 31st March 2020 at a nominal value of £1.00. Total shares in issue and fully paid as at 31st March were 5,613,780. All shares have a nominal value of £1.00.

8. Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

| | <u>2019 -20</u> | <u>2018 -19</u> |
|--------------------|-----------------|-----------------|
| | £ | £ |
| Interest received | 0 | 0 |
| Interest paid | (368,162) | (196,985) |
| Dividends received | 0 | 0 |

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

| | <u>2019 -20</u> | <u>2018 -19</u> |
|------------------------------------|-----------------|-----------------|
| | £ | £ |
| Depreciation | 0 | 0 |
| Impairment and downward valuations | 206,628 | 618,051 |
| Increase/(decrease) in creditors | 142,016 | 132,555 |
| (Increase)/decrease in debtors | (52,568) | (191,455) |
| | <u>296,076</u> | <u>559,151</u> |

9. Cash Flow Statement - Investing Activities

| | <u>2019-20</u> | <u>2018-19</u> |
|--|--------------------|--------------------|
| | £ | £ |
| Purchase of property, plant and equipment, investment property and intangible assets | (6,181,334) | (3,380,328) |
| Purchase of short-term and long-term investments | 0 | 0 |
| Other receipts from investing activities | 0 | 0 |
| Net cash flows from investing activities | <u>(6,181,334)</u> | <u>(3,380,328)</u> |

10. Cash Flow Statement - Financing Activities

| | <u>2019-20</u> | <u>2018-19</u> |
|---|------------------|------------------|
| | £ | £ |
| Cash receipts of short- and long-term borrowing | 3,775,374 | 2,117,335 |
| Other receipts from financing activities | 2,533,400 | 1,280,400 |
| Repayments of short- and long-term borrowing | 0 | 0 |
| Other payments for financing activities | 0 | 0 |
| Net cash flows from financing activities | <u>6,308,774</u> | <u>3,397,735</u> |

11. Employee numbers

| | 2019-20 | 2018-19 |
|---|---------|---------|
| The average number of persons employed by the company was | 0 | 0 |

North Downs Housing Ltd does not directly employ any staff. A services agreement is in place between the North Downs Housing Ltd and Guildford Borough Council to provide tenancy management, property acquisition, finance and legal services.

12. Related Party Disclosures

Immediate Parent

The Directors of the Company regard Guildford Borough Council Holdings Limited as the immediate parent.

Ultimate Parent

The Directors of the Company regard Guildford Borough Council, a local authority in England and Wales, as the ultimate parent of the Company. The address of the Council's principal place of operations is Guildford Borough Council, Millmead House, Millmead, Guildford, Surrey GU2 4BB.

Related party transactions

A summary of the Company's transactions with Guildford Borough Council and other companies controlled by Guildford Borough Council is outlined below:

- Under a services agreement, Guildford Borough Council provides support services to North Downs Housing Ltd, these are included in administration costs. Amounts owed to Guildford Borough Council in respect of these services are included in trade creditors (note 4).
- Guildford Borough Council has provided loan finance to North Downs Housing of £8,689,106 including accrued interest (notes 5 and 6). Interest on the loan is included within 'Interest payable and similar charges' (note 1).
- North Downs Housing Ltd is 100% owned by Guildford Borough Council. During the period to 31st March 2020, Guildford Borough Council acquired 2,533,400 £1.00 ordinary shares in the Company, bringing the total number of £1.00 ordinary shares held by Guildford Borough Council to 5,613,780.

During the year no director had any related financial transactions either directly or indirectly with the company.

13. Events arising after the reporting date

No significant events arose after the reporting date that require disclosure in the accounts.

**NORTH DOWNS HOUSING LIMITED
COMPREHENSIVE INCOME STATEMENT
FOR THE PERIOD ENDED 31ST MARCH 2020**

| | £ | £ |
|---|-------------------|-------------------------|
| Turnover | 407,389 | |
| -Other Operating Income | <u>629</u> | |
| | | 408,018 |
| Less: | | |
| Ground Rent & Service Charge | 172,678 | |
| Utilities | 8,898 | |
| Legal | 2,271 | |
| Management | 69,863 | |
| Clean | 2,562 | |
| Repairs | 38,196 | |
| Acct | 600 | |
| IT | 60 | |
| Interest cost | 368,162 | |
| | <u> </u> | 663,290 |
| | | (255,272) |
| Less : | | |
| Unrealised (loss) on revaluation of investment property | | <u>206,628</u> |
| | | <u>(461,900)</u> |

Executive Shareholder and Trustee Committee Report

Ward(s) affected: All

Report of Director of Resources

Author: Beejal Soni, Specialist Solicitor (Projects, Corporate and Commercial)

Tel: 01483 444036

Email: beejal.soni@guildford.gov.uk

Lead Councillor responsible: Tim Anderson

Tel: 07710 328560

Email: tim.anderson@guildford.gov.uk

Date: 4 March 2021

Annual Returns for Charities

Executive Summary

Guildford Borough Council, in its role as charitable trustee is responsible for all matters related to the following trusts:

1. The Guildford Sports Ground Charity (also known as the Woodbridge Road Sports Ground);
2. The Burpham War Memorial Recreational Grounds Charity;
3. The Public Walks and Pleasure Grounds Charity;
4. The Racks Close Open Spaces Charity

The terms of reference for the Executive Shareholder and Trustee Committee include the completion and submission of Charity Annual Account returns and the Charity Annual Trustee Report to the Charity Commission on behalf of the abovementioned charities.

Recommendation to the Committee

- (1) That the review and approval of the charitable accounts for the Guildford Sportsground Charity be delegated to the Leader of the Council in consultation with the Director of Resources and the Director of Service Delivery; and
- (2) The charitable accounts for:
 - (a) The Burpham War Memorial Recreational Grounds Charity;
 - (b) The Public Walks and Pleasure Grounds Charity;
 - (c) The Racks Close Open Spaces Charity
 - (d) The Allen House Charitybe approved.
- (3) That the Specialist Solicitor (Projects, Corporate and Commercial) be authorised in consultation with the Director of Resources to complete any documentation pursuant to the submission of charitable accounts to the Charity Commission.

Reason for Recommendation:

To comply with the legal requirement that the Charity must submit annual accounting returns to the Charity Commission. If the Trustee fails to submit these returns, it could result in the Charity Commission removing the charity from its register and taking further action.

1. Purpose of Report

- 1.1 This reports notes key actions related to the proper administration of Charities administered by Guildford Borough Council. This report also explains the legal requirement to submit the Charity's Annual Trustee Report to the Charity Commission.

2. Strategic Priorities

- 2.1 The assistance offered by the Charities supports the Council's priority to support "older, more vulnerable and less advantaged people in our community" (Corporate Plan 2018-2023).
- 2.2 The charities also contribute to "enhancing sporting, cultural, community and recreational facilities" (Corporate Plan 2018-2023).

3. Background

- 3.1 Charitable Trustees have overall control of the Charity and are responsible for making sure it is managed in order to promote its charitable objects.
- 3.2 The Executive Shareholder and Trustee Committee acts as the Charitable Trustee on behalf of Guildford Borough Council. This structure permits the management of the Charity to be kept separate, as far as possible, from the usual business of the Council.
- 3.3 The terms of reference for the Executive Shareholder and Trustee Committee include the completion and submission of an Annual Account return and, where required, an Annual Trustee Report to the Charity Commission.
- 3.4 The Charity Commission requires Guildford Borough Council, acting as a Charitable Trustee, to submit annual charity accounts and, if relevant, a Trustee Report within 10 months of the end of each financial year. The accounts set out, amongst other items, the charities expenditure and income which have promoted the charitable objects.
- 3.5 A Trustee Report supplements an external audit of accounts and provides a summary of a charity's activities and financial position, future plans, risks and opportunities. It is required only for those charities whose gross income exceeds £25,000.00. The Guildford Sportsground charity is currently the only charity overseen by the Executive Shareholder and Trustee Committee whose income exceeds £25,000.00.
- 3.6 Staff sickness related to Covid-19, along with logistical workflow management constraints has meant the Council's auditors have been unable to complete the audit of the Woodbridge Sportsground within reporting timescales. Application has been made the Charity Commission for permission to file the accounts on or before 09 April 2021.

- 3.7 In order to ensure that the audited accounts are approved filed with the Charity Commission without delay, it is proposed that the audited accounts are reviewed by the Leader of the Council in consultation with the Director of Resources and Director of Service Delivery.

4. Consultations

- 4.1 The Parks and Landscape Manager has been consulted and will respond to auditor queries regarding the financial activity for the Guildford Sports Ground Charity.

5. Equality and Diversity Implications

- 5.1 The effective monitoring of charitable activities will ensure that all residents of Guildford Borough Council enjoy access to charitable support and recreational grounds.

6. Financial Implications

- 6.1 The preparation of accounts will be done in accordance with the Charity Commission's financial rules. Where required, external auditors will review accounts prior to their submission to the Executive Shareholder and Trustee Committee.
- 6.2 Charities with a gross income exceeding £25,000 must file accounts and an annual report with the Charity Commission, whereas those whose gross income exceeds £10,000 but is below £25,000 complete an online annual return only and are not required to submit annual accounts. If the gross income is £10,000 or less, charities are asked to complete only certain sections of the annual return, including trustee details.
- 6.3 Charities with a gross income of more than £25,000 in their financial year are required to have their accounts independently examined or audited.

7. Legal Implications

- 7.1 Under the Council's constitution, authority to approve annual accounts and trustee reports has been delegated to the Executive Shareholder and Trustee Committee ("the ESTC").
- 7.2 The bulk of charity law is contained in the Charities Act 2011. The Charity Commission registers and regulates charities in England and Wales. The Charity Commission is responsible for ensuring that charities meet their legal requirements, including providing information on their activities each year.

8. Human Resource Implications

- 8.1 None

9. Conclusion

- 9.1 The role of the Trustee is to manage the Charity in a manner that is clearly distinct from usual Council business. When making decisions, the Trustee has a duty to act in the Charity's best interests. There is a legal requirement to submit an Annual Trustee Report for the Charity to the Commission.

Agenda item number: 5

10. Background Papers

10.1 None

11. Appendices

Schedules

This page is intentionally left blank

SCHEDULE 1: ALLEN HOUSE CHARITY

ALLEN HOUSE GROUNDS

ANNUAL REPORT

1 APRIL 2019 TO 31 MARCH 2020

1. This paper constitutes the annual report of Allen House Grounds (the Grounds) Attached to the report are:
 - the accounts for 2019-20 (Appendix 1)
2. The Grounds is an open walks and sports pavilion gifted to the Borough by Jane Ellen Broad on September 1, 1914.
3. The ground is on a lease to Matrix Trust to manage for the physical well-being of the young people in the Borough on a nominal fee, shown as rent in the accounts.
4. The rental income is not sufficient for the up keep of the Grounds, hence the donations of Sixty three thousand and sixty-eight pounds £63,068, (£23,803, 2018/19) by the Trustees, Guildford Borough Council
5. The Charity employs no staff. The Senior Financial Reporting Accountant, the Capital, Assets and Treasury Accountant, the Administrative Assistant from Legal and Democratic Services and the Civic Secretary provide administration support.
6. The accounts for 2019-20 are set out in Appendix 1. The donations in 2019-20 included a £63,068 donation from Guildford Borough Council.
7. It is clear there is a continued need for assistance, and we are pleased to be able to help. Most of the Charity's income comes from donations and I take the opportunity given by this report to thank those individuals and organisations who have so generously donated.

Claire Morris

24 February 2021

ALLEN HOUSE GROUNDS
Statement of Financial Activities
For the year ending 31st March 2020

| | Notes | 2019/20 £ | 2018/19 £ | |
|---|--------------|----------------------|----------------------|-------|
| <u>Income and endowments from:</u> | | | | |
| Donations and legacies | 1 | 63,068 | 23,803 | |
| Charitable activities | 2 | 5,884 | 7,048 | |
| Other trading activities | | 0 | 488 | Clair |
| Investments | | 0 | 0 | e |
| Other trading activities | | 0 | 0 | Morri |
| Total | | 68,952 | 31,339 | s |
| <u>Expenditure on:</u> | | | | 24 |
| Raising Funds | | | | Febr |
| Charitable activities | | 68,952 | 31,339 | uary |
| Other | | | | 2021 |
| Total | | 68,952 | 31,339 | |
| Net gains/(losses) on investments | | 0 | | |
| Net Income/(expenditure) | | 0 | 0 | |
| Transfers between funds | | | | |
| Other recognisable gains/(losses) | | | | |
| Gains/(losses) on revaluation of fixed assets | | | | |
| Actuarial gains/(losses) on defined pension schemes | | 0 | | |
| Other gains/losses | | | | |
| Net movement in funds | | 0 | 0 | |
| Reconciliation of funds: | | | | |
| Total funds b/fwd. | | 0 | 0 | |
| Total funds c/fwd. | | 0 | 0 | |

Notes

- 1 Relates to the Allen House cost of running the project met by the Trustees (GBC)
- 2 Rental Income from Matrix.



CHARITY COMMISSION
FOR ENGLAND AND WALES

Independent examiner's report on the accounts

Section A

Independent Examiner's Report

**Report to the trustees/
members of**

Public Walks and Pleasure Grounds (Allen House)

**On accounts for the year
ended**

31/03/2020

**Charity no
(if any)**

305054

Set out on pages

Accounts filed with Charity Commission and available on the Charity Commission website

**Respective
responsibilities of
trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts in accordance with the Charities Act 2011 ("the Act").

The charity's trustees consider that an audit is not required for this year under section 144 of the Act and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the applicable Directions given by the Charity Commission (under section 145(5)(b) of the Act, and
- to state whether particular matters have come to my attention

**Basis of independent
examiner's statement**

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention (other than that disclosed below *) which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

** Please delete the words in the brackets if they do not apply.*

Signed:

Date:

10/01/2021

Name:

Jude Aihie (B.Sc., Pg. Dip., FCCA, AMCT)

Relevant professional qualification(s) or body (if any):

The Association of Chartered Certified Accountants
The Association of Corporate Treasurers

Address:

Flat D, 7 St Augustines Road

Bedford

MK40 2NB

Section B

Disclosure

Only complete if the examiner needs to highlight material matters of concern (see CC32, Independent examination of charity accounts: directions and guidance for examiners).

Give here brief details of any items that the examiner wishes to disclose.

**SCHEDULE 2: BURPHAM WAR MEMORIAL
RECREATIONAL GROUNDS**

**BURPHAM WAR MEMORIAL RECREATION GROUND
ANNUAL REPORT**

1 APRIL 2019 TO 31 MARCH 2020

1. This paper constitutes the annual report of Burpham War Memorial Recreation Grounds (the Grounds) Attached to the report are:
 - the accounts for 2019-20 (Appendix 1)
2. The Grounds is a recreation park bequeathed to the council.
3. The rental income is not sufficient for the up-keep of the Grounds, hence the donations of fifty four thousand, seven hundred and eleven pounds £54,711, (£4,084, 2018/19) by the Trustees, Guildford Borough Council
4. The Charity employs no staff. The Senior Financial Reporting Accountant, the Capital, Assets and Treasury Accountant, the Administrative Assistant from Legal and Democratic Services and the Civic Secretary provide administration support.
5. The accounts for 2019-20 are set out in Appendix 1. The donations in 2019-20 included a £54,711 donation from Guildford Borough Council.
6. It is clear there is a continued need for assistance, and we are pleased to be able to help. Most of the Charity's income comes from donations and I take the opportunity given by this report to thank those individuals and organisations who have so generously donated.

Claire Morris
24 February 2021

BURPHAM WAR MEMORIAL RECREATION GROUND

Statement of Financial Activities

For the year ending 31st March 2020

| | | 2019/20 | 2018/19 |
|---|-------|---------------|--------------|
| | Notes | £ | £ |
| <u>Income and endowments from:</u> | | | |
| Donations and legacies | 1 | 54,711 | 4,084 |
| Charitable activities | 2 | 6,322 | 0 |
| Other trading activities | | 0 | 0 |
| Investments | | 0 | 0 |
| Other trading activities | | 0 | 0 |
| Total | | 61,034 | 4,084 |
| <u>Expenditure on:</u> | | | |
| Raising Funds | | | |
| Charitable activities | 3 | 61,034 | 4,084 |
| Other | | | |
| Total | | 61,034 | 4,084 |
| Net gains/(losses) on investments | | 0 | |
| Net Income/(expenditure) | | 0 | 0 |
| Transfers between funds | | | |
| Other recognisable gains/(losses) | | | |
| Gains/(losses) on revaluation of fixed assets | | | |
| Actuarial gains/(losses) on defined pension schemes | | 0 | |
| Other gains/losses | | | |
| Net movement in funds | | 0 | 0 |
| Reconciliation of funds: | | | |
| Total funds b/fwd | | 0 | 0 |
| Total funds c/fwd | | 0 | 0 |

Notes

- 1 Relates to the Burpham War Memorial Park cost of running the project met by the Trustees (GBC)
- 2 Rental Income from Matrix.
- 3 Included in the charitable cost is the allocated depreciation cost of the assets.

Claire Morris
24 February 2021



CHARITY COMMISSION
FOR ENGLAND AND WALES

Independent examiner's report on the accounts

Section A

Independent Examiner's Report

**Report to the trustees/
members of**

Burpham War Memorial Recreation Ground

**On accounts for the year
ended**

31/03/2020

**Charity no
(if any)**

304982

Set out on pages

Accounts filed with Charity Commission and available on the Charity Commission website

**Respective
responsibilities of
trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts in accordance with the Charities Act 2011 ("the Act").

The charity's trustees consider that an audit is not required for this year under section 144 of the Act and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the applicable Directions given by the Charity Commission (under section 145(5)(b) of the Act, and
- to state whether particular matters have come to my attention

**Basis of independent
examiner's statement**

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention (other than that disclosed below *) which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

** Please delete the words in the brackets if they do not apply.*

Signed:

Date:

10/01/2021

Name:

Jude Aihie (B.Sc., Pg. Dip., FCCA, AMCT)

Relevant professional qualification(s) or body (if any):

The Association of Chartered Certified Accountants
The Association of Corporate Treasurers

Address:

Flat D, 7 St Augustines Road

Bedford

MK40 2NB

Section B

Disclosure

Only complete if the examiner needs to highlight material matters of concern (see CC32, Independent examination of charity accounts: directions and guidance for examiners).

Give here brief details of any items that the examiner wishes to disclose.

**SCHEDULE 3: RACKS CLOSE
OPEN SPACES CHARITY**

**RACK CLOSE
ANNUAL REPORT**

1 APRIL 2019 TO 31 MARCH 2020

1. This paper constitutes the annual report of Rack Close Open Space Charity
Attached to the report are:
 - the accounts for 2019-20 (Appendix 1)
2. The Charity has no income.
3. The Charity did not record income in the reporting year, hence the donations of five hundred and fourteen pounds £514 (£2,381, 2018/19) by the Trustees, Guildford Borough Council
4. The Charity employs no staff. The Senior Financial Reporting Accountant, the Capital, Assets and Treasury Accountant, the Administrative Assistant from Legal and Democratic Services and the Civic Secretary provide administration support.
5. The accounts for 2019-20 are set out in Appendix 1. The donations in 2019-20 included a £514 donation from Guildford Borough Council.
6. The trustees will have to review the activities of the charity going forward and decide on how best to meet its objectives.

Claire Morris
Trustee
24 February 2021

The Racks Close Open Space Charity
Statement of Financial Activities
For the year ending 31st March 2020

| | 19/20 £ | 18/19 £ |
|---|------------|--------------|
| <u>Income and endowments from:</u> | | |
| Donations and legacies | 514 | 2,381 |
| Charitable activities | | 1,065 |
| Other trading activities | | |
| Investments | | |
| Other (Rent) | | |
| Total | 514 | 3,446 |
| <u>Expenditure on:</u> | | |
| Raising Funds | | |
| Charitable activities | 514 | 3,446 |
| Other | | |
| Total | 514 | 3,446 |
| Net gains/(losses) on investments | 0 | 0 |
| Net Income/(expenditure) | 0 | 0 |
| Transfers between funds | | |
| Other recognisable gains/(losses) | | |
| Gains/(losses) on revaluation of fixed assets | | |
| Actuarial gains/(losses) on defined pension schemes | 0 | 0 |
| Other gains/losses | | |
| Net movement in funds | 0 | 0 |
| Reconciliation of funds: | | |
| Total funds b/fwd | 0 | 0 |
| Total funds c/fwd | 0 | 0 |

Claire Morris
Trustee
17 July 2019



CHARITY COMMISSION
FOR ENGLAND AND WALES

Independent examiner's report on the accounts

Section A

Independent Examiner's Report

**Report to the trustees/
members of**

The Racks Close Open Space Charity

**On accounts for the year
ended**

31/03/2020

**Charity no
(if any)**

1058137

Set out on pages

Accounts filed with Charity Commission and available on the Charity Commission website

**Respective
responsibilities of
trustees and examiner**

The charity's trustees are responsible for the preparation of the accounts in accordance with the Charities Act 2011 ("the Act").

The charity's trustees consider that an audit is not required for this year under section 144 of the Act and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the applicable Directions given by the Charity Commission (under section 145(5)(b) of the Act, and
- to state whether particular matters have come to my attention

**Basis of independent
examiner's statement**

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no material matters have come to my attention (other than that disclosed below *) which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

** Please delete the words in the brackets if they do not apply.*

Signed:

Date:

10/01/2021

Name:

Jude Aihie (B.Sc., Pg. Dip., FCCA, AMCT)

Relevant professional qualification(s) or body (if any):

The Association of Chartered Certified Accountants
The Association of Corporate Treasurers

Address:

Flat D, 7 St Augustines Road

Bedford

MK40 2NB

Section B

Disclosure

Only complete if the examiner needs to highlight material matters of concern (see CC32, Independent examination of charity accounts: directions and guidance for examiners).

Give here brief details of any items that the examiner wishes to disclose.

Executive Shareholder and Trustee Committee Report

Ward(s) affected: All

Report of Director of Service Delivery

Author: Beejal Soni, Specialist Solicitor (Projects, Corporate and Commercial)

Tel: 01483 444036

Email: beejal.soni@guildford.gov.uk

Lead Councillor responsible: Tim Anderson

Tel: 07710 328560

Email: tim.anderson@guildford.gov.uk

Date: 4 March 2021

Update on Management Arrangements for Woodbridge Road Sports Ground Charity

Executive Summary

On 1 September 2020, the Executive Shareholder and Trustee Committee authorised an application for an exemption to put in place a new management structure for the Woodbridge Road Sports Ground Charity.

The Executive Shareholder and Trustee Committee also authorised the Director for Service Delivery, in consultation with the Leader of the Council, to take all steps necessary to implement the decision of the Charity Commission.

This report provides an update on the application to the Charity Commission.

Recommendation to the Committee

That the Executive Shareholder and Trustee Committee note the contents of this report.

Reason for Recommendation:

To notify the Trustees about the progress in implementing a new management structure for the Woodbridge Road Sports Ground Charity.

1. Purpose of Report

- 1.1 This reports notes key developments related to the application to the Charity Commission.

2. Strategic Priorities

- 2.1 The Woodbridge Road Sports Ground Charity contributes to “enhancing sporting, cultural, community and recreational facilities” (Corporate Plan 2018-2023).

3. Background

- 3.1 Charitable Trustees have overall control of the Charity and are responsible for making sure it is managed in order to promote its charitable objects.
- 3.2 The Woodbridge Road Sports Ground Charity was established for the purpose of providing space for outdoor recreation, including sports activities, conferences, concerts etc at the Property, as set out in the Vesting Deed dated 9 August 1912 (the "**Deed**")
- 3.3 On 01 September 2020, the Executive Shareholder and Trustee Committee approved a new management strategy for the Woodbridge Road Sports Ground Charity which aims to promote the charitable objects whilst reducing the Council's financial contribution to the charity.
- 3.4 Under this strategy, the management of the charitable landholdings would be leased to a management company comprised of Guildford Borough Council, Guildford Cricket Club and Surrey County Cricket Club.
- 3.5 The management company is permitted to utilise the grounds to generate income in order to promote the charitable objects.
- 3.6 The Charity Commission has confirmed its approval in principle to the arrangements outlined in the report of 01 September 2020.
- 3.7 Application has now been made to the Charity Commission for an Order which authorises:
 - 3.7.1 trustees to lease the property falling within the Woodbridge Road Sports Ground Charity for a term of 75 years.
 - 3.7.2 The terms of the lease permit either party to the lease to end the arrangement in the 50th year.
 - 3.7.3 an initial yearly rent of a peppercorn for the first 5 years of the term, then at the yearly rent of £16,400 for 5 years, and thereafter subject to review every 7 years on an open market rent basis, even though Guildford Sportsground Management Company Limited is a connected person (as defined in section 118 of the Charities Act 2011);
 - 3.7.4 a provision for re-entry on non-payment of the rent or non-performance of the covenants.

4. Consultations

- 4.1 The Director of Service Delivery has consulted with stakeholders with Guildford Borough Council in order to ensure that the conditions of the legal documentation are robust and protect the charitable interests.

5. Equality and Diversity Implications

- 5.1 The effective use of the grounds will ensure that all residents of Guildford Borough Council enjoy access to charitable support and recreational grounds.

6. Financial Implications

- 6.1 The Executive and Shareholder Trustee Committee confirmed a budget allocation of £100,000.00 to support the activities of the management company.
- 6.2 The proposed structure of finances promotes a long term aim of being self-sufficient.
- 6.3 The Council as Charitable Trustee would need to fund any identified deficit. If this occurs the Council will follow financial procedure rules in dealing with it.

7. Legal Implications

- 7.1 The Legal Services Team, working together with Bevan Brittan have advised the Council at all stages of negotiations. Legal considerations have been included in this report.
- 7.2 It is confirmed that the proposals cannot take effect until such time as the Charitable Trustee obtains an exemption from the Charities Commission.

8. Human Resource Implications

- 8.1 None

9. Conclusion

- 9.1 That the Executive Shareholder and Trustee Committee note the progress of the application to the Charity Commission.

10. Background Papers

None

11. Appendices

None

This page is intentionally left blank