



**OPEN REPORT
ERNEST BAILEY CHARITY COMMITTEE**

Ernest Bailey Charity Committee – 17 November 2022

STATEMENT OF FINANCIAL POSITION

Report of the Director of Resources

Report Author and Contact Details

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Wards Affected

Matlock All Saints
Matlock St. Giles
Darley Dale
Masson
Stanton
Winster and South Darley.

Report Summary

This report sets out the financial position of the Charity as at the end of the 2021/22 financial year and provides estimates for 2022/23. The report also seeks approval for the investment of the Charity's funds.

Recommendations

1. That the financial statement for the 2021/22 financial year be received.
2. That the funds of the Charity continue to be invested with Derbyshire Dales District Council.
3. That progress on the Review be noted.
4. That Members agree the approach to be taken in respect of the net income receivable from the sale of land at Pope Carr Road.

List of Appendices

None

Background Papers

None

Consideration of report by Council or other committee

Not applicable

Council Approval Required

No

Exempt from Press or Public

No

Statement of Financial Position

1. Financial Statement

- 1.1 The tables below details the various financial transactions for 2021/22 and 2022/23. The charity holds land but its value is not included in the figures in this report. The Charity's annual accounts must be submitted to the Charity Commissioners within ten months of the financial year end.

Table 1: Ernest Bailey Charity: Actual income and expenditure for 2021/22

	Capital £	Revenue £	Total £
Balance brought forward 1 April 2021	-117,076.00	-39,128.45	-156,204.45
Interest & Donations received in year		-1,028.00	-1,028.00
Grant payments made in year		2,485.00	2,485.00
Balance carried forward 31 March 2022	-117,076.00	-37,671.45	-154,747.45

Table 2: Ernest Bailey Charity: Estimated income and expenditure for 2022/23

	Capital £	Revenue £	Total £
Balance brought forward 1 April 2022	-117,076.00	-37,671.45	-154,747.45
Interest receivable in year		-1,357.00	-1,357.00
Provision for grant payments*		1,357.00	1,357.00
Balance carried forward 31 March 2023	-117,076.00	-37,671.45	-154,747.45

*Table 2 above assumes that the amount available for distribution is £1,357 being equal to the estimated interest receivable in the year. Should the Committee decide to award grants totalling more than this level, the result would be a reduction in the amount available for distribution in the future. If the Committee wishes to do so, it could award grants totalling £1,357 plus up to £4,747 and still retain the £150,000 investment. Any grants awarded over the forecast will reduce the balance carried forward.

Table 3 : Maintenance Provision 2022/23

	£
Balance brought forward 1 April 2022	3,600.00
Provision in year	0.00
Balance carried forward 31 March 2023	3,600.00

2. Review

- 2.1 Members will recall that at the Committee meeting held 21 November 2017, it was resolved that a review of the Charity would be undertaken. As officers have been addressing other, higher priority, work areas, the review remains on hold for the time being.

3. Income from disposal of Land at Pope Carr Road

3.1 Elsewhere on the agenda for this Committee is a report on Land at Pope Carr Road, Matlock. The regularisation of the use of this land is likely to result in income for the Charity. It is understood that the amount will be reported verbally at the meeting. After the costs of the surveys etc. have been deducted, there are several options for the use of the net proceeds. Options include:

- a. Add the net proceeds to the capital investment (to earn interest that could be used for future grant payments);
- b. Agree that the whole of the net proceeds be used to award more grants in 2023/24;
- c. Invest the net proceeds but release them over several financial years e.g. at £5,000 a year, to increase the amount available for grant distribution in those years.

There will be other options that Members may wish to discuss.

3.2 It is recommended that Members agree the approach to be taken in respect of the net income receivable from the sale of land at Pope Carr Road, Matlock.

4. Consultation

4.1 Not applicable

5. Timetable for Implementation

5.1 Not applicable

6. Policy Implications

6.1 Not applicable.

7. Financial and Resource Implications

7.1 The Charity has £150,000 invested with Derbyshire Dales District Council and for 2021/22 interest was earned at an average rate of 0.28%.

7.2 Financial implications are as detailed in the main body of the report.

7.3 The following interest rates have been applied to the estimate for 2022/23:-

0.28% from 1st April 2022 to 18th October 2022.

1.67% from 19th October 2022 to 31st March 2023.

The amount for distribution (excluding the provision) is £34,071.45.

7.4 The charity holds land but its value is not included in the figures in this report.

7.5 As sole Trustee, the Council is under an obligation to look after the assets of the Charity with the same care as it would do its own money. The actual and

estimated income and expenditure set out in the report show a proper and prudent management of the Charity's assets.

8. Legal Advice and Implications

8.1 The District Council became the sole Trustees of the Ernest Bailey Charity following approval by the Charity Commissioners on 12th April 1985. This function was later delegated to the Ernest Bailey Charity Committee.

8.2 The Trustees have a legal duty to protect the charities assets and apply them for the charity's charitable purposes. This report updates the trustees of the assets available and the amount available for distribution. It is not making decisions on how to distribute the funds. The legal risk is therefore low.

9. Equalities Implications

9.1 None

10. Climate Change Implications

10.1 None

11. Risk Management

11.1 The Charity's funds are invested with the District Council. Risks of financial loss are mitigated by prioritising security and liquidity ahead of yield. The financial risks are assessed as low.

Report Authorisation

Approvals obtained from:-

	Named Officer	Date
Chief Executive	Paul Wilson	04/11/2022
Director of Resources/ S.151 Officer (or Financial Services Manager)	Karen Henriksen	04/11/2022
Monitoring Officer (or Legal Services Manager)	James McLaughlin	07/11/2022