

## Finance, Administration & Resources Committee

### Management accounts 31<sup>st</sup> March 2021

6<sup>th</sup> May 2021

The draft management accounts for the year ended 31<sup>st</sup> March 2021 are attached. The audit of the accounts starts on 24<sup>th</sup> May 2021. There are likely to be some late invoices and other adjustments to these figures prior to the audit, which will be reported at the August meeting of this committee.

#### General fund

Despite some essential tree safety costs and also some significant additional professional fees, the general fund surplus is £107,700 better than budget, thanks to very high visitor numbers and the cost savings put in place at the start of the pandemic.

#### 1. Car park takings and costs

Total car park takings were £411,185, which was £129,185 over budget.

#### 2. Other income items

- In addition to the £10,700 grant from Worcestershire County Council, Coronavirus Job Retention Scheme grants totalling £13,012 were received in the year,
- Rents are below budget due to the agreed temporary reductions in rent at St Ann's Well and two pub car parks,
- The decision to keep the old field staff pickup means there has been no profit on disposal of fixed assets this year.

#### 3. Expenditure

A few items are over budget, as previously agreed by the Board and CEO:

Summary of additional expenditure approved 2020/21 financial year						
Item	Sum approved				Expenditure incurred	Charged to
	Total	CEO	CEO COVID	Board		
	£	£	£	£	£	
Laptop for FAM	948	948			948	Fixed asset additions
Starleaf 12-month licence	720		720		720	Subscriptions
DPO contract	900	900			900	Other prof fees
Perspex screen for front desk	219		219		219	Office eqt
Staff costs - pass sales	470		470		470	Salaries
Signs	332	332			332	Signs
Additional wardening capacity	7,500			7,500	726	Salaries
Legal and professional costs, complaint investigation	30,000			30,000	27,033	Legal & professional
Staff time - complaint	1,302	52		1,250	1,302	Salaries
Advice on status of MHT	4,000			4,000	3,702	Legal & professional
New ABS/ECU for OM van	2,136	2,136			2,136	Vehicle & eqt exps
Estate Manager - 3 m	8,691			8,691	-	First pyt April 21 salaries
VAT advice	2,500			2,500	2,421	Legal & professional
Laptop for Estate manager	429	429		-	-	£948 in 2021/22
Tree work	24,000			24,000	24,000	Tree work
Hedge laying (gift fund)	1,750			1,750	1,366	Contract labour
Recruitment costs	1,300	1,300			1,332	Recruitment
	<b>87,197</b>	<b>6,097</b>	<b>1,409</b>	<b>79,691</b>	<b>67,607</b>	

- Treework costs are a total of £29,365 over budget at £45,485. The Board approved £24,000 costs in addition to budget for essential tree safety works with the balance of the additional cost being covered by the underspend on contract labour.
- Car park meter expenses and bank charges are over budget, due to the majority of payments being made by card during the pandemic,
- The £5,000 car park repair budget is as yet unspent, as although the work was commissioned before the year end it did not start until April 2021. It is proposed that this budget be carried forward as a designated fund, to be spent in 2021/22,
- The overspend on postage costs of £1,178 is offset by recharges for postage on pass sales, which are included in sundry income,
- The value of staff annual leave not taken has risen by £14,124 this year, to a total of £26,661. Accounting standards require that this figure is included in the accounts. The cost of unused overtime does not have to be included.

Following questions about cost control at a recent meeting, I thought Trustees may be interested to have a summary of costs savings staff have made. Cost savings negotiated by staff in the last few weeks have included the following:

<b>Cost savings from April 21</b>	
	£
Life assurance - re-tender, saving on original quote	431
Motor policy put out to tender, saving on original quote	2,723
Mobile phones - alternative product sought, saving on original quote (24 months)	432
Audit fee re-negotiated from original quote	865
	<b>4,451</b>

Moving forward we will keep a record of all cost savings to report to the Board.

#### **4. Fixed asset purchases**

Fixed asset purchases during the year were:

Field Staff pickup	£19,004
Laptop	£948
Work on land at Castlemorton	£877

#### **5. General fund cash**

General fund cash balances at 31<sup>st</sup> March 2021 totalled £370,000.

#### **Pension FRS 102 balance**

The FRS 102 calculation of the pension fund deficit has increased to £2.256 million. The significant increase is due to low discount rates and an increase in the CPI inflation assumption leading to a higher valuation of the scheme liabilities, in MHT's case a 15% increase. The value of MHT's allocated share of the scheme assets has increased by 8%:

	<b>2021</b>	<b>2020</b>
	£	£
Present value of funded obligations	(4,452,000)	(3,876,000)
Fair value of plan assets	2,196,000	2,034,000
	<u>(2,256,000)</u>	<u>(1,842,000)</u>
Amounts recognised as:		
Liabilities	(2,256,000)	(1,842,000)
Assets	0	0
Net amount recognised	<u>(2,256,000)</u>	<u>(1,842,000)</u>

MHT's contribution rates are set at the 3-yearly Actuarial valuation, which will next be carried out as at March 2022. Rates are fixed until 2022/23. The FRS 102 valuation does not impact on the rates payable. If the trustees require any further information at this stage please let me know at the meeting.

## Designated funds

### 1. Unrestricted gifts

- £1,461 has been spent on trees and £1,366 on hedges,
- £1,466 has been spent on interpretation boards for British Camp and Gardiner's Quarry car parks,
- £1,920 has been transferred to the Community Woodland restricted fund, being part of MHT's contribution to the project cost.

### 2. Stewardship funds

- Payments to graziers continue in accordance with the agreements in place,
- We continue to accrue the grants due each month. There is currently a dispute with the RPA over the 2019 CS payment for the North & Central Hills, which they substantially reduced following the recategorisation of the majority of our land by their computer system. The Conservation Manager is currently having to review the RPA's categories in order to claim the balance due. An update will be given at the meeting.

## Restricted funds

- Investment income on the parliamentary and lands maintenance funds has been transferred to the general fund.
- The investment portfolios have shown significant increases in value at the end of this financial year, more than making up for the losses sustained at the end of the 2019/20 financial year.
- Community Woodland path works have been completed. Work on interpretation boards will be completed this year,
- A new grant, 'Boost 4 Biodiversity' has been received from Severn Trent.

## Free reserves

The total free reserves at 31<sup>st</sup> March 2021 stood at £817,562 and comprise the following:

<b>Calculation of free reserves 31st March 2021</b>		
	£	£
Total unrestricted reserves		(1,085,793)
Less:		
Pension FRS 102 balance	(2,256,000)	
NBV of fixed assets purchased through general fund	99,225	
Committed designated funds:		
HLS	110,750	
CS	90,194	
Tree disease	10,085	
CC Scheme legal	34,010	
CC Scheme consultation	889	
Election expenses	7,492	
		<u>(1,903,355)</u>
Free reserves at 31st March 2021		<u>817,562</u>
Comprising		
General fund exc NBV of fixed assets		345,958
Free' designated funds:		
Gifts	458,103	
Fundraising	10,000	
Dog campaign	3,501	
		<u>471,604</u>
		<u>817,562</u>

## Format of management accounts

The current format of the management accounts was approved by the FAR Committee in 2019 and deemed satisfactory a year later.

Following criticism of the management accounts format by a former trustee, it was recommended that the FAR Committee keep the format under review and feed back any suggestions for changes at this meeting.

## Recommendations

1. That the £5,000 budget for car park repairs be transferred to a designated fund to be spent in 2021/22.

Cheryl Gentry  
Finance & Administration Manager  
29<sup>th</sup> April 2021

**Malvern Hills Trust**  
**General fund income and expenditure versus budget for the year ended 31st March 2021**

Income	Actual £	Budget £	Variance £
Levy	534,850	534,850	0
Grants	23,712	21,700	2,012
Car park takings	411,185	282,000	129,185
Donations and legacies	4,519	4,000	519
Rents and licences	13,431	17,258	(3,827)
Fairs and circuses	100	750	(650)
Ice cream concessions	2,050	2,500	(450)
Easements & wayleaves	7,689	5,000	2,689
AONB contributions	6,250	6,200	50
Sales of books, leaflets and maps	0	250	(250)
Admin charges and compensation	1,888	2,000	(112)
Sundry income	3,212	4,050	(838)
Employment allowance	4,000	4,000	0
Investment income	1,302	2,000	(698)
Profit on disposal of fixed assets	0	4,000	(4,000)
	<b>1,014,187</b>	<b>890,558</b>	<b>123,629</b>
Land management expenses			
Contract labour	7,490	13,450	5,960
Drainage	384	5,545	5,161
Vehicle and equipment expenses	11,685	20,440	8,755
Hire of plant and equipment	6,462	8,280	1,818
Tree work	45,485	16,120	(29,365)
Grass cutting	3,950	3,600	(350)
Purchase of materials and tools	9,198	10,500	1,302
Protective clothing	2,067	1,670	(397)
Field consultancies	4,955	4,590	(365)
Conservation volunteers	98	1,080	982
Water testing	0	500	500
Gardening	2,450	2,700	250
Management plan	365	0	(365)
	<b>94,589</b>	<b>88,475</b>	<b>(6,114)</b>
Car parks, wardens and PR			
Car park meter expenses	19,431	14,180	(5,251)
Car park passes	2,720	2,500	(220)
Car park repairs	0	5,000	5,000
Wardens' vehicle expenses	6,197	6,475	278
Wardens' uniform and tools	3,053	2,885	(168)
Wardens' phones	1,065	1,300	235
Leaflets	0	4,500	4,500
Annual report	544	1,000	456
Newsletters	0	100	100
Signs, display and information boards	781	1,000	219
Events programme	0	1,000	1,000
Exhibitions	0	500	500
Other PR expenses	0	1,250	1,250
Fundraising expenses	230	0	(230)
	<b>34,020</b>	<b>41,690</b>	<b>7,670</b>
Administration costs			
Rates	6,877	9,100	2,223
Buildings maintenance	2,549	13,000	10,451
Electricity and gas	5,932	7,780	1,848
Telephones	3,192	2,320	(872)
Depreciation	35,802	40,000	4,198
Insurance	30,328	30,000	(328)
Office equipment	3,688	6,200	2,512
IT	9,680	11,080	1,400
Website	294	300	6
Legal and professional fees	54,238	28,280	(25,958)
Governance costs	2,755	3,250	496
Subscriptions	2,198	825	(1,373)
Bank and investment charges	3,084	2,000	(1,084)
Postage	2,772	1,550	(1,222)
Stationery, printing and recycling	3,867	3,610	(257)
Cleaning	2,866	3,600	734
Travelling expenses	449	1,805	1,356
Miscellaneous exps	807	1,850	1,043
Newspaper ads	339	420	82
	<b>171,715</b>	<b>166,970</b>	<b>(4,745)</b>
Staff costs			
Basic salaries & NI	460,601	454,559	(6,042)
Pension contributions	133,274	135,680	2,406
Group life assurance	1,659	1,750	91
Training - staff	1,605	6,700	5,096
Recruitment	2,332	1,000	(1,332)
FRS 102 holiday pay adjustment	14,124	0	(14,124)
<b>Total staff costs</b>	<b>613,595</b>	<b>599,689</b>	<b>(13,906)</b>
Surplus for the period before transfers	100,267	(6,266)	106,533
Transfers from other funds	18,243	21,050	(2,807)
Transfers to other funds	(8,000)	(8,000)	0
Surplus for the period after transfers	110,511	6,784	103,727
General fund brought forward	334,671	334,671	0
<b>General fund carried forward</b>	<b>445,182</b>	<b>341,455</b>	<b>103,727</b>

## Malvern Hills Trust - Unrestricted Funds Income and Expenditure for the year ended 31st March 2021

Amt (£)

Category	N/C	CC Sch							HLS					HLS North & Central	Basic Payment Scheme	Total	
		Unrestricted Gifts	CC Scheme costs des fund	consultation des fund	Dog campaign des fund	Fundraising	Election exps des fund	Tree disease des fund	CS North & Central	CS Southern	HLS Chase End	HLS Castlemorton	HLS Southern Hills				HLS Old Hills
01 - Income	4020 - Stewardship annual grants	0	0	0	0	0	0	0	63,591	4,458	3,537	(526)	(10)	5,641	0	0	76,691
	4030 - Stewardship other grants	75	0	0	0	0	0	0	0	0	0	0	0	0	5,568	5,643	
	4310 - Land rentals	0	0	0	0	0	0	0	5,019	0	0	67	433	0	0	5,519	
	4420 - Sundry income	0	0	0	0	0	0	0	0	0	0	10	0	0	0	10	
<b>01 - Income total</b>		<b>75</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>68,610</b>	<b>4,458</b>	<b>3,537</b>	<b>(460)</b>	<b>433</b>	<b>5,641</b>	<b>0</b>	<b>5,568</b>	<b>87,863</b>
02 - Land management expenses	5000 - Contract labour	(1,366)	0	0	0	0	0	0	(2,079)	0	0	(2,180)	0	(343)	0	0	(5,968)
	5035 - Treework	0	0	0	0	0	0	(1,915)	0	0	0	0	0	0	0	0	(1,915)
	5036 - Tree planting	(1,461)	0	0	0	0	0	0	(98)	0	0	0	0	0	0	0	(1,559)
	5040 - Grass cutting	0	0	0	0	0	0	0	0	0	0	0	0	(725)	0	0	(725)
	5100 - Graziers	0	0	0	0	0	0	0	(62,400)	0	0	(44,153)	(15,365)	(1,508)	0	0	(123,427)
	5110 - Stewardship schemes direct costs	0	0	0	0	0	0	0	0	(2,442)	0	(1,177)	0	0	0	0	(3,619)
<b>02 - Land management expenses total</b>		<b>(2,827)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,915)</b>	<b>(64,577)</b>	<b>0</b>	<b>(2,442)</b>	<b>(46,333)</b>	<b>(16,542)</b>	<b>(2,576)</b>	<b>0</b>	<b>0</b>	<b>(137,212)</b>
03 - Visitor Services expenses	5435 - Interpretation boards	(1,466)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(1,466)
<b>03 - Visitor services expenses total</b>		<b>(1,466)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,466)</b>
04 - Administration costs	6100 - Other professional fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(500)	(500)
	8100 - Transfers to other funds	(1,920)	0	0	0	0	0	0	0	0	0	0	0	0	0	(2,838)	(4,758)
	6120 - Newspaper ads	0	0	0	0	0	0	0	0	0	0	(637)	0	0	0	0	(637)
<b>04 - Administration costs total</b>		<b>(1,920)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(637)</b>	<b>0</b>	<b>0</b>	<b>(3,338)</b>	<b>(5,895)</b>	
Deficit for the period before transfers		(6,138)	0	0	0	0	0	(1,915)	4,033	4,458	1,095	(46,793)	(16,746)	3,065	0	2,230	(56,710)
Transfers from other funds	4600 - Transfers from other funds	0	0	0	0	0	5,000	3,000	0	0	0	0	7,020	0	0	0	15,020
Transfers to/(from) other funds		0	0	0	0	0	0	0	0	0	(440)	0	0	(660)	0	(4,182)	(5,282)
Deficit for the period after transfers		(6,138)	0	0	0	0	5,000	1,085	4,033	4,458	655	(46,793)	(9,726)	2,405	0	(1,952)	(46,972)
Reserves brought forward		464,241	34,010	889	3,501	10,000	2,492	9,000	81,703	0	517	93,927	9,726	23,391	22,988	15,612	771,997
Designated funds carried forward		458,103	34,010	889	3,501	10,000	7,492	10,085	85,736	4,458	1,172	47,134	0	25,796	22,988	13,660	725,025

## Malvern Hills Trust - Restricted Funds Income and Expenditure for the year ended 31st March 2021

Category	N/C	Parliamentary fund	Capital Outlay d'chgd	Land Purchase (1992) fund	Lands Maintenance fund	Restricted Gift fund	Picnic bench donations	NIM book	Tree donation scheme	Community woodland	Boost4biodiversity	SDF fund	Total
01 - Income	4015 - Other grants	0	0	0	0	0	0	0	0	0	3,729	0	3,729
		0	0	0	0	0	0	0	650	0	0	0	650
	4370 - Sales of books, leaflets and maps	0	0	0	0	0	0	889	0	0	0	0	889
	4500 - Income from investment portfolio	12,790	0	16,722	4,353	0	0	0	0	0	0	0	33,865
<b>01 - Income Total</b>		<b>12,790</b>	<b>0</b>	<b>16,722</b>	<b>4,353</b>	<b>0</b>	<b>0</b>	<b>889</b>	<b>650</b>	<b>0</b>	<b>3,729</b>	<b>0</b>	<b>39,133</b>
02 - Land management expenses	5000 - Contract labour	(330)	0	0	0	0	0	0	0	(42,791)	(750)	0	(43,871)
	5045 - Purchase of materials	(555)	0	0	0	0	0	0	0	0	0	0	(555)
<b>2 - Land management total</b>		<b>(885)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(42,791)</b>	<b>(750)</b>	<b>0</b>	<b>(44,426)</b>
03 - Car parks, wardens and PR	5425 - Signs									(84)			(84)
<b>03 - Car parks, wardens and PR Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(84)</b>	<b>0</b>	<b>0</b>	<b>(84)</b>
04 - Administration costs	8005 - Depreciation - impt's to land and buildings	(5,645)	(61,211)	0	0	0	0	0	0	0	0	0	(66,856)
	6115 - Investment manager's charges	(2,616)	0	(5,413)	(989)	0	0	0	0	0	0	0	(9,018)
	8110 - Investment gains or losses	87,614	0	215,839	29,816	0	0	0	0	0	0	0	333,269
<b>04 - Administration costs Total</b>		<b>79,353</b>	<b>(61,211)</b>	<b>210,426</b>	<b>28,827</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>257,395</b>
Surplus for the period before transfers		91,258	(61,211)	227,148	33,180	0	0	889	650	(42,875)	2,979	0	252,018
Transfers from other funds	4600 - Transfers from other funds	0	0	0	0	0	0	0	0	1,920	0	0	1,920
Transfers to/(from) other funds		(12,790)	0	0	(4,353)	0	0	0	0	0	0	0	(17,143)
Surplus for the period after transfers		78,468	(61,211)	227,148	28,827	0	0	889	650	(40,955)	2,979	0	236,795
Restricted funds brought forward		426,246	1,464,611	794,466	156,509	9,707	183	1,844	50	40,955	0	453	2,895,024
Restricted funds carried forward		504,714	1,403,400	1,021,614	185,336	9,707	183	2,733	700	0	2,979	453	3,131,819

## Malvern Hills Trust

### Balance Sheet as at 31st March 2021

	£	£	
Fixed assets			
Heritage assets	1,162,995		
Other land and buildings	116,570		
Improvements to capital assets	118,554		
LM vehicles & eq't	92,981		
Office equipment	6,244		
Investments	<u>1,694,759</u>		
		3,192,103	
Current Assets			
Livestock	25,320		
Debtors	206,398		
Deposits and Cash	<u>992,828</u>		
		1,224,546	
Current Liabilities			
Creditors : Short Term	104,295		
Payroll Taxation	6,081		
VAT Liability	<u>4,247</u>		
		114,623	
Current Assets less Current Liabilities:		1,109,923	
Total Assets less Current Liabilities:		4,302,026	
Long Term Liabilities			
FRS 102 pension liability	<u>2,256,000</u>		
		<u>2,256,000</u>	
Total Assets less Total Liabilities:		<u><u>2,046,026</u></u>	
Capital & Reserves			
General fund	445,182		
Designated funds	725,025		
Restricted funds	3,131,819		
FRS 102 pension	<u>(2,256,000)</u>		
		<u><u>2,046,025</u></u>	(0)