



FINANCE AND MANAGEMENT CASE STUDY

QUESTION ONE

NOTES TO CANDIDATE

- (i) Answer to be prepared as on 13 June 2006 by I.O. Lanthe, Finance Officer.
- (ii) The question below is intended to test the candidate's understanding of the situation in the case and the application of relevant skills.

QUESTION

1. Draft a briefing note in accordance with the attached memorandum from the Park Director who has arranged to meet the Editor of the Mazurka Bugle at lunchtime today. (20%)

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Stanford Parry Trust



Memorandum

To: I.O. Lanthe – Finance Officer
From: Gertie Dammerung – Park Director
Date: 13 June 2006

Subject: Mazurka Bugle Article

I have this morning been shocked and angered by a most scurrilous and inaccurate article on the Stanford Parry Trust published in this morning's Mazurka Bugle.

I demanded to see the editor today, and I shall be meeting him at 1.30 p.m. this afternoon. However, as I shall have to leave here for the Bugle offices before then, I want you to provide me with a briefing note to take with me. It will need to be factual, concise and punchy; the editor has reluctantly agreed to publish a retraction tomorrow of all the many inaccuracies and misinterpretations contained in the article, but I have to present accurate corrections that make sense and have impact. Apparently, Mazurka Borough Council has inadvertently published our 2005 draft accounts (supplied on a highly confidential basis in support of a grant application on which we still await a decision) on its website along with documents relating to the approval of grants awarded to voluntary organisations in 2005.

The objectionable content in the article seems to me to revolve around the following main themes, and I would like you to structure your points around them:

- Brief history and background to the relationship between the Trust and Mazurka Borough Council, and in particular the circumstances of the handover of the estate to the Trust and the Trust's subsequent dealings with the Borough;
- The sensationalist and misleading coverage of the Trust's grant application to the Borough Council and the supporting papers. In particular, I want to be able to demonstrate that the Trust remains solvent and adequately funded. Please provide figures to demonstrate that the 2005 draft accounts show that the Trust was not insolvent as part of your response;
- The inclusion of uniformly hostile comments from a few ignorant people interviewed on the street suggesting that the Trust runs the Park inefficiently and incompetently – can we refute all this ignorant prattle? In particular, to counter the impression that the Trust has little involvement with local people, I would like to be able to publicise just how much time volunteers are contributing in 2006 and how much their effort is worth.

Almost everyone else is on an "awayday" today – I have had to pull out of it because it is most important that we respond immediately to this disgraceful article and try to limit the damage. You know about the financial and most of the operational issues involved, so you are the best person on site today to draft the briefing note at short notice.

Gertie Dammerung

Park Director

Mazurka Bugle

Tuesday, 13 June, 2006

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Struggling Stanford Parry Trust in plea for cash handout to stay afloat.

By our Leisure Reporter **Tim Pannie**

Bugle Exclusive!

Struggling Stanford Parry Trust has made a plea for £60,000 from Mazurka Borough Council after running up another huge deficit and running out of funds despite all the public money poured into it. The Bugle has seen a secret copy of the Trust's accounts for 2005, and they don't make good reading. The 2005 accounts have still not been officially filed almost **SIX months** after the end of 2005. The shock news is that the hall and estate don't even appear in the balance sheet! Has the Trust secretly sold the property?

Since Mazurka Borough Council gave the valuable Stanford Parry estate to a specially formed Trust in 1991, the Trust has had over **£8 million in grants** from the Borough Council. Many Mazurka residents are wondering what they did with it! **FIFTEEN YEARS** after the handover the hall and its plush furnishings and unique natural history collection are still not open to the public. The magic circle that runs the Trust at public expense would obviously rather keep them under wraps for the privileged few to enjoy.

A few of the estate's facilities were opened to the public in 2001 when the estate became a Country Park. **Visitor numbers have dropped every year since.** We asked Mazurka residents why they are staying away in droves and what they think about the Trust wanting even more public money.

Local resident Eddie Elgar (61) said "What a cheek demanding another handout! The parts of the estate that you can go into for free are like a wilderness – much of it is an impenetrable jungle of knotweed." Fanny Mendelssohn (47) added that the Park is too dear for most people. "The car park costs the earth, and you have to pay through the nose for the parts of the Park that are worth seeing – why can't you pay individually for the things you want to see and not have to pay for

the things that you don't want to see? And the lake is disgusting – it's clogged up with some sort of scummy weed and it stinks. Part of my admission went on that. Great!" 56-year-old Fred Chopin pointed out that the café is dark and dismal and out of the way, so it is no wonder that hardly anybody uses it. As for the shop, Fred said "It's a joke. It's too small to swing a cat in, and there's nothing worth buying. Just about sums the place up, really." Muzzy Orgsky (18) from Woodfield Hills bewailed the Park's lack of facilities for the local youth. "It's a crying shame there's no skateboard park or football pitches. Nothing for us there. It's just for rich old white people from out of town." Debbie Oosey (22) suggested that some of the Park could be sold off to raise money to sort out the remainder and reopen the hall. Tom Tellis (20) had never heard of the Trust or the Park and said he had no idea what was behind the big wall; "Isn't it some sort of private palace?"

No wonder the money has run out! When I paid an incognito visit to the Park yesterday I was astonished at how many people in green overalls seemed to be wandering around – the wage bill for the Park must be through the roof! A lot of them seemed to be intent on destroying one of the few attractive features of the Park – the magnificent rhododendrons were in full flower but they were all being hacked down.

It seems obvious to anybody (but obviously not the Park management) that all this effort would be better directed to reopening the hall. And for that matter the attractive Bare Mountain which is fenced off. The hall and its contents were left to the people of Mazurka by the Parry family – isn't it high time we were **ALL** allowed to enjoy them? Perhaps it is time for the Borough to rescue the Park from the Trust!