

Committee: King George's Fields Charity Board	Date: 7 th January, 2009	Classification: Unrestricted	Report No. KGFCB/02/ 089)	Agenda Item No.
Report of: Corporate Director, Communities, Localities & Culture			Title: Mile End Park & King George's Fields Charitable Trust Annual Accounts 2007/2008, & Approval to Appoint External Auditors	
Originating Officer: Luke Cully			Wards affected: All Wards	

1. SUMMARY

- 1.1 This report provides details of the annual accounts for the Mile End Park and King Fields Charitable Trust for the 2007/2008 financial year, and seeks the Board's Approval to the appointment of the Audit Commission as the external auditors of the annual Trust accounts.

2. RECOMMENDATIONS

King George's Fields Charity Board is recommended to:

- 2.1 Agree the final accounts for the Mile End Park and King George's Fields Charitable Trust for the 2007/2008 financial year; Attached at A and
- 2.2 Agree that the Audit Commission be appointed as the external auditors of the annual Trust accounts.

3. BACKGROUND

- 3.1 There is a duty under the Charities Act 1993 to produce an annual report and accounts to the Charities Commission. The accounts must be endorsed by the Trustees, and submitted to the Charities Commission by no later than the 31st January in the year following the closure of the accounts.
- 3.2 The accounts relate to Mile End Park (which includes Stepney Green and Whitehorse Road Open Space) and Tredegar Square Gardens. From the accounts attached as Appendix A, members will see that the Mile End Park account recorded a net operating deficit of £21,037 for the year. This was offset against the surplus carried forward from 2006/2007 of £48,033. Tredegar Square

Gardens achieved a balanced position. The major expenditures and incomes as outlined within the account are as follows:

- (i) Salaries. These relate to the Director of Mile End park and Park ranger staff who assist in managing the facilities.
- (ii) Employee Related Expenditure. This relates to insurance of staff engaged in the activity of managing the facilities, recruitment, and training.
- (iii) Repairs and Maintenance. This includes all repairs to buildings, trees and fences, and grounds maintenance costs.
- (iv) Energy and Water. This relates to electricity, gas and water services.
- (v) Other Services. This relates to refuse collection and disposal, transport, printing and cleaning.
- (vi) Communications. This relates principally to telephones and mobile phones.
- (vii) Stock and Equipment. This relates to the purchase of equipment and materials.
- (viii) Fees and Insurance. This relates to the insurance of the park buildings and fees payable to consultants.
- (ix) Advertising and Publicity. This relates to the costs of advertising and publicity for events.
- (x) Receipts. The major income items are commercial rents generated from shop lettings at Mile End Park, railway arch rentals, and a contribution from the Council's General Fund Public Realm budget.

3.3 Conclusion. The outturn position of the Mile End Park annual accounts for 2007/2008 produced an operating deficit of £21,037, and for Tredegar Square a break even position. To comply with the Charities Commission's requirements, the Board are asked to note and endorse these accounts, and agree their submission to the Charities Commission.

3.4 Appointment of External Auditor. The Charities Commission has requested that the Charity Board accounts should be separately audited. The Audit Commission is the Council's external auditor, and is fully familiar with the Council's financial systems. The Board's accounts are held on the Council's general ledger system, payments are made through the payments and payroll systems, and income is collected through the invoicing system. The additional charge that will be made by the Audit Commission for this work cannot be forecast at this stage, but is unlikely to be substantial. The Board is therefore recommended to approve the appointment of the Audit Commission as the auditor of the accounts.

4 COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 4.1 The comments of the Chief Financial Officer have been incorporated into this report.

5. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)

- 5.1 The King George's Fields Charity Board exists as a separate legal entity from the Council. The Council remains the legal owner of the land as trustee for the King George's Fields Charitable Trust. Any proceeds of fees and rents, including money from the Council will go to the King George's Fields Charitable Trust.

- 5.2 It is a requirement under Section 48 of the Charities Act 1993 that the Trustees produce and file a set of annual accounts with the Charities Commission. The accounts have to be drawn up and approved by trustees in a form prescribed by The Charities (Accounts and Reports) Regulations 2005.

- 5.3 There is a duty on the Council to maintain and keep open the land within the two parks under Section 10 Open Spaces Act, 1906. However, this duty applies to the condition of the park and not the financial arrangements.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 One Tower Hamlets considerations have been taken into account in the Directorates service improvement proposals.

7. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 7.1 There are no direct sustainability implications in this report

8 RISK MANAGEMENT IMPLICATIONS

- 8.1 Managing Financial risk is of critical importance to the Directorate and maintaining financial health is essential to sustaining and improving service performance. Specific risks are project managed, recorded and progress is monitored through the directorate risk register process.

9. APPENDICES

Appendix A – Breakdown of accounts for the Charity Board.

**LOCAL GOVERNMENT ACT 1972 SECTION 100D (AS AMENDED)
LIST OF BACKGROUND PAPERS USED IN PREPARATION OF THIS REPORT**

Brief description of background paper

*Name and telephone
number of holder and
address where open to
inspection.*