

<b>Committee/Meeting:</b> King George's Fields Charity Board	<b>Date:</b> 21st November, 2012	<b>Classification:</b>  Unrestricted	<b>Report No:</b>  4.1
<b>Report of:</b>  Corporate Director, Communities, Localities & Culture  Originating officer: Stephen Adams		<b>Title:</b>  King George's Fields Charitable Trust Annual Accounts, 2011/2012  Wards Affected: All Wards	

## 1. **SUMMARY**

- 1.1 This report provides details of the annual accounts of the King George's Field Mile End and King George's Field Tredegar Square charities for the 2011/2012 financial year.

## 2. **DECISIONS REQUIRED**

King George's Fields Charity Board is recommended to:

- 2.1 Agree the annual report and accounts for the King George's Field, Mile End Charity (registered number 1077859) for the 2011/2012 financial year set out at Appendix 1.
- 2.2 Agree the annual report and accounts for the King George's Field Tredegar Square charity (registered number 1088999) for the 2011/2012 financial year set out at Appendix 2.
- 2.3 Authorise the mayor to sign the annual reports and accounts for submission to the Charity Commission.

## 3. **BODY OF REPORT**

- 3.1 The accounts relate to the King George's Field, Mile End charity (registered number 1077859) (which includes Stepney Green and Whitehorse Road Open Space) and King George's Field Tredegar Square charity (registered number 1088999). From the accounts attached in the appendices, the Board will see that King George's Field Mile End produced a surplus of £75,000, and that King George's Field Tredegar Square achieved a balanced position. However, the Board will note that the General Fund contribution to King George's Field, Mile End fell from £365,840 in 2010/2011 to £267,173 in 2011/2012. There were increases in the various sources of income (which are analysed in more detail in paragraph 3.3) and reductions in expenditure (which are analysed in more detail in paragraph 3.4),.

3.2 The major expenditure and income are outlined within the account as follows:

**Salaries-**

These relate to the Parks Development Officer (Community), and Park Ranger and support staff who assist in managing the facilities.

**Employee Related Expenditure-**

This relates to insurance of staff engaged in the activity of managing the facilities, as well as training.

**Repairs and Maintenance-**

This includes all repairs to buildings, trees and fences, and grounds maintenance costs.

**Energy and Water-**

This relates to electricity, gas and water services.

**Other Services-**

This relates to refuse collection and disposal, transport, printing and cleaning. It also includes the rental for the railway arches.

**Communications-**

This relates principally to telephones and mobile phones.

**Stock and Equipment-**

This relates to the purchase of equipment and materials.

**Fees and Insurance-**

This relates to the insurance of the park buildings and fees payable to consultants.

**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 and Cultural, Learning and Leisure Services budgets.

3.3 The figures referred to below are shown on page 7 of the report. The major variations in income, for King George's Field, Mile End, between 2010/2011 and 2011/2012, are shown in the table below, together with a brief explanation of the major changes:

Source Of Income	2010/2011 Actual £	2011/2012 Actual £	Variance £	Changes
Railway Arch Rentals	77,861	84,179	+6,318	Increased income from profit share arrangement with occupier

Other Rentals	297,941	345,268	+47,345	Full-year occupation by fast food chain (+£52,300); Change in bad debt provision (+£34,500). Offset by vacancy and rent-free period
Other Lettings	35,326	106,693	+71,367	Increased income from Arts & Ecology Pavilions
Sponsorship & Donations	78,970	42,323	-36,647	Reduction in funding for Skateboard area by Children, Schools & Families Directorate (£40,000), after completion of bulk of work
Other Income	56,653	23,013	-33,640	Cessation in Big Lottery Play Funding (£38,600) to fund temporary staff

3.4 The figures referred to below are shown on page 7 of the report. The major variations in expenditure, for King George's Field, Mile End, between 2010/2011 and 2011/2012, are shown in the table below, together with a brief explanation of the major changes:

Type Of Expenditure	2010/2011 Actual £	2011/2012 Actual £	Variance £	Changes
Salaries	348,465	282,066	-66,399	Reorganisation of parks service; reduction in Big Lottery Play Funding, used to fund temporary staff
Repairs & Maintenance	333,902	287,343	-46,559	Completion of Skateboard track, and other minor variations
Fees & Insurance	57,467	10,792	-46,675	Reduced spend on security charges (£38,000), estate agents' fees for the marketing of property (£7,400), and legal costs (£2,700)

Energy & Water	24,134	75,159	+51,025	Delays in the receipt of charges levied by the utility companies. 2010/2011 charges therefore included in 2011/2012 accounts.
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3.5 The outturn position for King George's Field Mile End was a surplus of £75,000. King George's Field Tredegar square recorded a breakeven position. To comply with the Charity Commission's requirements, the Board are asked to note and endorse these accounts, and agree their submission to the Charity Commission.

#### **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 SERVICES)**

5.1 The Council is the Trustee of the Mile End Charity pursuant to the Governing Document which is a scheme dated 28<sup>th</sup> February, 2000. The Council's constitution establishes the King George's fields Charity Board to administer the charity's affairs and discharge the Council's trustee functions.

5.2 The trustees have a duty to keep the accounting records and must prepare a statement of accounts in respect of each financial year. The attached statements of accounts comply with the requirements of the Charities Act 1993 and the Statement of Recommended Practice- Accounting and Reporting by Charities, and the Charities (Accounts and Reports) Regulations 2008.

5.3 As a result of a recent court decision, the Council will need to examine the position regarding payment for use of the Mile End Leisure Centre by GLL under the Leisure contract. In the last financial year, the Council subsidised the Trust to the sum of £267,173, but no set off rent was received by the Trust for the use of land on which Mile End Centre is built. A court ruling indicates that such arrangements need to be clearly set out in the accounts of the Trust. Officers are working to regularise this position.

#### **6. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

6.1 There are no direct sustainability implications in this report.

#### **7. RISK MANAGEMENT IMPLICATIONS**

7.1 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.

**8. CRIME AND DISORDER REDUCTION IMPLICATIONS**

8.1 There are no direct crime and disorder reduction implications in the report.

**9. EFFICIENCY STATEMENT**

9.1 Efficiency improvements inform the ethos of the Mile End Park Annual Management Plan and the running of the other parks and open spaces that form part of King George's Fields.

**10. APPENDICES**

Appendix 1 – Annual Report and Accounts, King George's Field Mile End charity

Appendix 2 – Annual Report and Accounts, King George's Field Tredegar Square charity

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*Appendices should not contain electronic watermarks. Excel documents and pictures (.jpg; .tif; .gif etc) should all be converted to .pdf format*

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**Local Government Act, 1972 Section 100D (As amended)  
List of "Background Papers" used in the preparation of this report**

Brief description of "background papers"	Name and telephone number of holder and address where open to inspection.
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<b>File of working papers</b>	<b>Bob Knoyle ext. 5231</b>
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*Report authors should refer to the section of the report writing guide which relates to Background Papers when completing this section. Please note that any documents listed in this section may be disclosed for public inspection. Report authors must check with Legal Services before listing any document as 'background papers'.*