

Committee/Meeting: King George's Fields Charity Board	Date: 28 January 2015	Classification Unrestricted	Report No:
Report of: Corporate Director, Communities, Localities & Culture Originating officer: Stephen Adams		Title: King George's Fields Charitable Trust Annual Accounts, 2013/2014 Wards Affected: Bow West , Mile End	

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 2013/2014 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 2013/2014 financial year set out in Appendix 1.
- 2.2 Agree the annual report and accounts for the King George's Field Tredegar Square charity (registered number 1088999) for the 2013/2014 financial year set out in Appendix 2.
- 2.3 Subject to approval of 2.1 and 2.2, 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 £20,000 and that King George's Field Tredegar Square achieved a balanced position. The surplus of £20,000 was transferred to the reserve and has been added to the amount carried forward from 2012/2013. The balance in the reserve now stands at £39,572; this will be carried forward to meet legal costs around decisions on the Mile End Park Stadium lease and shop leases.

d:\moderngov\data\published\Intranet\C00000325\M00005674\AI00056057\fhg0znra.doc

Report authors should insert the file name and path in the draft stages to regulate version control. This will be removed from the final version by Democratic Services prior to the report being published in the agenda.

3.2 The Board will note that the General Fund contribution to King George's Field, Mile End fell from £249,670 in 2012/2013 to £111,767 in 2013/2014, which was due to rental income from shop tenants increasing. There were increases in the various sources of income (which are analysed in more detail in paragraph 3.5) and variations in expenditure (the most significant of which are analysed in more detail in paragraph 3.6).

3.3 The accounts are prepared from the information contained in the Council's audited accounts for 2013/2014.

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

Income-

The major income items are commercial rents generated from shop lettings at Mile End Park and hire of the Arts and Ecology Pavilions.

Salaries-

These relate to the Parks Service and support staff who assist in managing the facilities.

Employee Related Expenditure-

This relates to training and insurance of staff engaged in the activity of managing the facilities.

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.

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

3.5 The major variations in income, for King George's Field, Mile End, between 2012/2013 and 2013/2014, are shown in the table below, together with a brief explanation of the major changes. The figures referred to below are shown on page 6 of the report on King George's Field Mile End (Appendix 1).

Source Of Income	2012/2013 Actual £	2013/2014 Actual £	Variance £	Changes
Rentals	359,338	531,351	+172,013	Full-year occupation by shop tenants in 2013/14.
Other Lettings	83,084	65,123	-17,691	Loss of one-off letting of Arts and Ecology pavilions to University of London for exams, in 2012/13.
Sponsorship & Donations	28,930	5,200	-23,730	Reduction in level of sponsorship & donations, for one-off Olympic related activities in 2012/13.
Other Income	113,270	6,693	-106,577	One-off Insurance recovery in 2012/13 of £98k (Green Bridge) and other smaller variations in income

- 3.6 The major variations in expenditure, for King George's Field, Mile End, between 2012/2013 and 2013/2014, are shown in the table below, together with a brief explanation of the major changes. The figures referred to below are shown on page 7 of the report.

Type Of Expenditure	2012/2013 Actual £	2013/2014 Actual £	Variance £	Changes
Salaries	277,124	202,334	-74,790	Reflects the continuing reorganisation of the Council's services.
Repairs & Maintenance	469,254	386,984	-82,270	Reduction due to responsive repairs spend. One-off multi-pitch work at Stepney Green and one-off Olympic spend in 2012/13.
Energy & Water	56,030	34,375	-21,655	Lower level of metered water usage.
Other Services	71,541	50,011	-21,530	No vacant shops in 2013/14, therefore no Business Rates charged.

- 3.7 The outturn position for King George's Field Mile End was a surplus of £20,000, which has been put into reserve. 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.

3.8 Mile End Stadium Lease

The Council has historically subsidised the Trust on an annual basis but rent has not been applied for the use of the land upon which Mile End Park Leisure Centre is built. In January 2014 the Trustees agreed to grant to the Council a lease of the land on which Mile End Park Leisure Centre and facilities are situated for a term expiring on 1st May 2019, at an annual rent of £104,000, assessed by an independent valuer according to RCIS standards. However, the Council, and not the King George's Field Trust, is the registered owner of the Mile End Park Leisure Centre site, and in law it is not possible for the Council to grant itself a lease. As a result the Trust is not in a position to sub lease the land to the Council. Consequently, the Council continues to subsidise the Trust whilst officers seek a solution to the current position in relation to the title to the land.

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 SERVICE HEAD – LEGAL SERVICES**

5.1 The Council is the Trustee of the Mile End Charity pursuant to the Governing Document which is a scheme dated 28th 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 2011 and the Statement of Recommended Practice- Accounting and Reporting by Charities, and the Charities (Accounts and Reports) Regulations 2008.

5.3 As reported last year Officers have been working to resolve the use of the Mile End Leisure Centre by GLL under the Leisure contract. The Council has historically subsidised the Trust on an annual basis but no set off rent has been applied for the use of the land on which Mile End Leisure Centre is built, however such arrangements need to be clearly set out in the accounts of the Trust.

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

6.1 There are no direct sustainability implications in this report.

d:\moderngov\data\published\Intranet\C00000325\M00005674\AI00056057\fhg0znra.doc

Report authors should insert the file name and path in the draft stages to regulate version control. This will be removed from the final version by Democratic Services prior to the report being published in the agenda.

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

Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

LIST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF THIS REPORT

Brief description of "Background Paper"

Working papers file Zakaria Hussain 0207 364 4557, London E14 2BG.