


<b>King George’s Field Trust Board Meeting</b>  30 October 2024	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Simon Baxter, Corporate Director of Communities	<b>Classification:</b> [Unrestricted]
<b>2022/23 End of Year Accounts Approval, Finance, Activity and Governance update</b>	

<b>Lead Member</b>	N/A
<b>Originating Officer(s)</b>	Catherine Boyd, Head of Arts Parks and Events Ahsan Khan, Chief Accountant Richard Ward, Head of Commercial & Contracts
<b>Wards affected</b>	All wards
<b>Key Decision?</b>	No
<b>Reason for Key Decision</b>	This report has been reviewed as not meeting the Key Decision criteria.
<b>Forward Plan Notice Published</b>	09/07/2024
<b>Strategic Plan Priority / Outcome</b>	N/A

**Special Circumstances Justifying Urgent Consideration (also known as ‘Reasons for Urgency’)**

The audited accounts and reports for 2022/23 are now overdue to the Charity Commission. This report seeks approval for the accounts and annual report to be submitted to the Charity Commission, a legal duty for organisations with a turnover of more than £1million. The accounts and annual reports have been subject to external audit. Should this report be delayed then the King George’s Field Trust (KGFT) will be unable to meet the requirements of the Charity Commission. Therefore, the report cannot wait until the next scheduled meeting of the Committee.

**Executive Summary**

This report seeks approval of the audited accounts for 2022/23 and the annual report for 2022/23. Approval is needed for the accounts and report to be submitted to the Charity Commission, a legal duty for organisations with a turnover of more than £1million. The report also provides an update on the current financial position for the Charity and activities delivered in 2024/25. In addition, the report includes a governance update for the Board in relation to the latest guidance from the Charity Commission.

## **Recommendations:**

The Board is recommended to:

1. Approve the audited accounts 2022/23 for submission to the Charity Commission. (Appendix 1)
2. Approve the annual report for 2022/23 for submission to the Charity Commission. (Appendix 1)
3. Approve the Letter of Representation from Arnold Hill & Co LLP. (Appendix 2)
4. Note the Management Letter 2023 from Arnold Hill & Co LLP and management response. (Appendix 3)
5. Note the Letter of Ownership Confirmation sign off required by the charity's auditors, Arnold Hill & Co LLP. (Appendix 4), from the Mayor of the London Borough of Tower Hamlets, before the accounts can be signed off by the charity's auditors.
6. Note the Letter of Support from the London Borough of Tower Hamlets (Appendix 5).
7. Grant permission to appoint Arnold Hill & Co LLP to audit the accounts for 2023/24.
8. Note the current financial position for 2024/25. (Appendix 6)
9. Note the activities update for 2024/25. (Appendix 7)
10. Note the governance update. (Appendix 8)

## **1 REASONS FOR THE DECISIONS**

- 1.1 The King George's Field Trust (KGFT) board is required to submit audited accounts to the Charity Commission for England and Wales. These were due by the 31 January 2024 and require Board approval to be submitted.

## **2 ALTERNATIVE OPTIONS**

- 2.1 There are no alternatives as KGFT is a registered charity and bound by the legislation for charities.

### **3 DETAILS OF THE REPORT**

- 3.1 The accounts for 2022/23 have been independently audited by Arnold Hill & Co LLP in line with the requirements of the Charity Commission for organisations with a turnover of over £1million to publish audited accounts. The accounts are accompanied by an annual report, in keeping with the requirements of the Charity Commission for organisations with a turnover of over £1million. (**Appendix 1**)
- 3.2 The report and accounts relate to the King George's Field, Mile End (charity registered number 1077859), which includes Stepney Green and Whitehorse Road Open Space. From the accounts attached in **Appendix 1**, the Board will note that King George's Field Mile End had a revenue deficit for the year amounting £165,354, resulting in a carry-forward cumulative unrestricted revenue deficit of £107,440 (taking into consideration the deficit).
- 3.3 The Council has provided a letter of support (**Appendix 5**) to the auditors, outlining that the London Borough of Tower Hamlets is willing to provide immediate financial support to King Georges Field, Mile End in case of its financial difficulties provided that the Charity's Management Board submitted a reasoned application for that purpose and, if necessary, invest additional funds essential to ensure that King Georges Field, Mile End will continue as a going concern.
- 3.4 The variations in both the sources of income and variations in expenditure are analysed in more detail in paragraph 3.6 of this report.
- 3.5 The major items of income and expenditure are outlined within the account as follows:
- Income - the primary income items are commercial rents generated from shop lettings at Mile End Park and the hire of the Art and Ecology Pavilions. Additional income is generated through Stepney Green astroturf pitch bookings and a corporate volunteer programme.
  - Expenditure – the main expenditure items relate to:
    - (a) Salaries – this covers the cost of the Parks Service staff who manage the facilities and provide activities.
    - (b) Repairs and maintenance – including the cost of all repairs to buildings, trees and fences, and grounds maintenance costs.
- 3.6 Income from the KGFT's venues and astro turf, shown in the table below, increased due to the easing of COVID-19 restrictions. The variations to income are shown in the table below between what was in achieved 2021/22 against financial year 2022/23.

Source of income	2021/22 Income £	2022/23 Income	Variance £	Comment
Commercial Retail units (Green Bridge retail units)	£497,951	£489,954	-£7,997	
Astro-turf pitch bookings and Arts and Ecology Pavilion Hires	£253,881	£382,280	£128,399	Increased bookings as a result of emerging from the impact of COVID-19.

- 3.7 King George’s Field Tredegar Square charity (registered number 1088999) achieved a balanced position. For 2022/23 there was £10,346 of expenditure related to grounds maintenance.
- 3.8 To comply with the Charity Commission’s requirements, the Board are asked to note and endorse the accounts, and agree their submission to the Charity Commission.
- 3.9 The audited accounts for 2023/24 are not yet finalised. However, the Charity is forecasting a deficit of £28.8k at the end of 2023/24 the carried forward deficit will be circa £136.2k. The carried Actions are being undertaken by the Charity to mitigate this deficit position including reducing expenditure and increasing income generation opportunities.
- 3.10 **Appendix 6** provides an overview of the forecasted financial position for financial year April 2024 to March 2025. The headline figure is a forecasted surplus of £12,250.
- 3.11 **Appendix 7** provides an overview of the activities undertaken by the Charity from 1 April to 30 September 2024. A total of 11,376 participants, across 222 sessions, participated in free to access activities over the May half term and summer school holidays. A final activity report will be provided as part of the annual report for 2024/25.
- 3.12 Stepney Green astro turf had 2,200 bookings with 48,000 people using the facility between 1 April and 30 September 2024.
- 3.13 **Appendix 8** provides information from the Charity Commission relating to guidance for local authorities as trustees of charities. On 8 August 2024, the Charity Commission updated its Guidance “[Local authorities \(or councils\) and as trustees of charities](#)”. The Charity Commission also published a shortened version for councillors, jointly with the Local Government Association “[Local authorities \(or councils\) as trustees of charities – a guide for councillors](#)”.

## **4 EQUALITIES IMPLICATIONS**

- 4.1 The King George's Field Trust manages lands and facilities which are open to all. Where charges have to be made, such as artificial football pitches, charges are kept at affordable levels for the local community.

## **5 OTHER STATUTORY IMPLICATIONS**

- 5.1 There are no further statutory implications.

## **6 COMMENTS OF THE CHIEF FINANCE OFFICER**

- 6.1 This report seeks approval of the audited accounts for 2022/23 and the annual report for 2022/23.

- 6.2 The audited accounts for 2022/23 report a revenue deficit for the year amounting £165,354, resulting in a carry-forward cumulative unrestricted revenue deficit of £107,440 at 31<sup>st</sup> March 2023. The audited accounts for 2023/24 are not yet finalised, with the latest draft accounts for the Charity forecasting a deficit of £28.8k for the year, which would result in a carry-forward deficit of circa £136.2k at 31<sup>st</sup> March 2024. The latest forecasted financial position for the Charity for financial year April 2024 to March 2025 is a £12.3k surplus, which would reduce the overall deficit on unrestricted reserves to £123.9k at 31<sup>st</sup> March 2025.

- 6.3 The Council (LBTH) has committed to ongoing financial support for the Trust, however, The Charity has carried actions being undertaken to mitigate this deficit position including reducing expenditure and increasing income generation opportunities to ensure it moves to a self-sustaining position as soon as practicably possible.

## **7 COMMENTS OF LEGAL SERVICES**

- 7.1 As trustee, the Board must act in the Charity's best interests and manage the Charity's resources responsibly.

- 7.2 The framework for accounting by charities imposes on charities a legal duty to submit to the Commission annual reports, accounts and returns.

## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- NONE.

### **Appendices**

- Appendix 1 – Audited Accounts and Annual Report (2022-23)
- Appendix 2 – Letter of Representation (2022-23)
- Appendix 3 – Management Letter (2023)

- Appendix 4 – Letter of Ownership Confirmation
- Appendix 5 - Letter of Support
- Appendix 6 – 2024/25 financial forecast
- Appendix 7 – 2024/25 activity update
- Appendix 8 – Governance update

**Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012**

- None

**Officer contact details for documents:**

Catherine Boyd, Head of Arts Parks and Events