

KING GEORGE'S FIELD, MILE END
Unaudited Financial Statements
for the year ended 31 March 2019

KING GEORGE'S FIELD, MILE END

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KING GEORGE'S FIELD, MILE END

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEE AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2019

Trustee: London Borough of Tower Hamlets

Principal Office: London Borough of Tower Hamlets
Mulberry Place
5 Clove Crescent
London
E14 2BG

Auditors: Arnold Hill & Co
Chartered Accountants
Craven House
Northumberland Avenue
London
WC2N 5AP

Charity Number: 1077859

STATEMENT OF TRUSTEES RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period.

In preparing this financial statement, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in its activities.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Charities Act 2011 as amended. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

APPOINTMENT OF AUDITORS

In line with the requirements of the Charity Commission, the Trustees appointed Arnold Hill & Co Ltd (Chartered Accountants) as the auditors of the charity.

Chair of the Trustees:

Date:

**KING GEORGE'S FIELD, MILE END
AUDITOR'S REPORT TO THE MEMBERS OF KING GEORGE'S FIELD, MILE END**

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KING GEORGE'S FIELD, MILE END
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Current year Unrestricted Funds 2019 £	Current year Endowment Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
Income & Endowments from:					
Donations & Legacies	4	319,431	-	319,431	139,510
Charitable activities	5	393,198	-	393,198	394,188
Other trading activities	6	52,725	-	52,725	72,681
Investment Income	7	593,866	-	593,866	471,477
Total income	A	1,359,220	-	1,359,220	1,077,856
Expenditure on:					
Charitable activities	8	1,077,544	77,892	1,155,436	1,164,501
Total expenditure	B	1,077,544	77,892	1,155,436	1,164,501
Net (gains)/loss on investments	C	-	24,800	24,800	22,500
Net surplus / (deficit) for the year	A-B-C	281,676	(102,692)	178,984	(109,145)
Net movement in funds		281,676	(102,692)	178,984	(109,145)
Reconciliation of funds:-					
Total funds brought forward		160,589	16,215,508	16,376,097	16,485,242
Total funds carried forward		442,265	16,112,816	16,555,081	16,376,097

All activities are derived from continuing operations.

KING GEORGE'S FIELDS, MILE END - Analysis of prior year (2017/18) total funds now Restated

		Prior Year Unrestricted Funds 2018 £	Prior Year Endowment Funds 2018 £	Prior Year Total Funds 2018 £
Income & Endowments from:				
Donations & Legacies		139,510	-	139,510
Charitable activities		394,188	-	394,188
Other trading activities		72,681	-	72,681
Investment Income		471,477	-	471,477
Total income	A	1,077,856	-	1,077,856
Expenditure on:				
Charitable activities		1,086,609	77,892	1,164,501
Total expenditure	B	1,086,609	77,892	1,164,501
Net (gains)/loss on investments	C	-	22,500	22,500
Net surplus / (deficit) for the year	A-B-C	(8,753)	(100,392)	(109,145)
Net movement in funds		(8,753)	(100,392)	(109,145)
Reconciliation of funds: -				
Total funds brought forward		169,342	16,315,900	16,485,242
Total funds carried forward		160,589	16,215,508	16,376,097

All activities are derived from continuing operations.

KING GEORGE'S FIELD, MILE END - Resources applied in the year ended 31 March 2019 towards fixed assets for Charity use:-

	2019 £	2018 £
Funds generated in the year as detailed in the SOFA	178,984	(109,145)
Resources applied on functional fixed assets	(34,152)	(13,869)
Net resources available to fund charitable activities	144,832	(123,014)

Revenue accumulated funds

	Unrestricted Funds 2019 £	Total Funds 2019 £	Last year Total Funds 2018 £
Accumulated funds brought forward	160,589	160,589	169,342
Recognised gains and (losses) before transfers	281,676	281,676	(8,753)
	442,265	442,265	160,589
Closing revenue funds	442,265	442,265	160,589

	Endowment Funds 2019 £	Total Funds 2019 £	Last year Total Funds 2018 £
At 1 April	16,215,508	16,215,508	16,315,900
Endowment Funds Gains / (losses) before transfers	(102,692)	(102,692)	(100,392)
At 31 March	16,112,816	16,112,816	16,215,508

	Unrestricted funds 2019 £	Endowment Funds 2019 £	Total Funds 2019 £	Last Year Total Funds 2018 £
Revenue accumulated funds	442,265	-	442,265	160,589
Fixed asset funds	-	16,112,816	16,112,816	16,215,508
Total funds	442,265	16,112,816	16,555,081	16,376,097

KING GEORGE'S FIELD, MILE END

**BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	9	9,976,963	10,023,477
Investments held as fixed assets	10	6,181,100	6,205,900
Total fixed assets		16,158,063	16,229,377
Current assets			
Debtors	11	173,199	182,835
Cash at bank and in hand	12	371,054	95,976
Total current assets		544,253	278,811
Creditors: amounts falling due within one year	13	(147,235)	(132,091)
Net current assets		397,018	146,720
The total net assets of the charity		16,555,081	16,376,097
The total net assets of the charity are funded by the funds of the charity, as follows:-			
Endowment funds			
Endowment Fixed Asset and Investment Property Funds	14	16,112,816	16,215,508
		16,112,816	16,215,508
Unrestricted Funds			
Unrestricted Revenue Funds	14	442,265	160,589
		442,265	160,589
Total charity funds		16,555,081	16,376,097

The Trustee acknowledges their responsibilities for complying with the requirements of charity legislation with respect to accounting records and the preparation of accounts.

The Trustee is satisfied that, although the charity is not registered under the Companies Acts, if it were so registered, it would be eligible to prepare accounts in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

Board of Trustees’:

Approved by the Board of Trustees’ on xx/xx/xxxx

KING GEORGE'S FIELDS, MILE END

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019**

	2019	2018
	£	£
Cash flows from operating activities		
Net cash provided by operating activities as shown below	A <u>(284,636)</u>	<u>(437,866)</u>
<i>Cash flows from investing activities</i>		
Other investment income, including rents from investments	593,866	471,477
Purchase of property, plant and equipment	(34,152)	(13,869)
Net cash provided by investing activities	B <u>559,714</u>	<u>457,608</u>
Overall cash provided by all activities	A+B <u>275,078</u>	<u>19,742</u>
Cash movements		
Change in cash and cash equivalents from activities in the year ended 31 March	275,078	19,742
Cash and cash equivalents at 1 April	95,976	76,234
Cash at bank and in hand less overdrafts at 31 March	<u>371,054</u>	<u>95,976</u>
Reconciliation of net income to net cash flow from operating activities		
Net surplus / (deficit) as shown in the Statement of Financial Activities	178,984	(109,145)
<i>Adjustments for :-</i>		
Depreciation charges	80,666	77,892
Net unrealised losses on investment assets	24,800	22,500
Dividends, interest and rents from investments	(593,866)	(471,477)
Decrease in debtors	9,636	(20,835)
Increase in creditors	15,144	63,199
Net cash provided by operating activities	A <u>(284,636)</u>	<u>(437,866)</u>

KING GEORGE'S FIELDS, MILE END
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the charities SORP (FRS 102) - Accounting and Reporting by Charities. Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 and the Charities Act 2011).

The financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

King George's Field, Mile End meet the definition of public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Going Concern

There are no material uncertainties regarding the charity's ability to continue. Therefore, the accounts are prepared on a going concern basis.

1.3 Income

All income is recognised once the Charity has entitlement to the income. It is probable that the income will be received, and the amount of income can be measured reliably.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party. It is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. consistent with the use of resources. The charities primary activity is the maintenance of Mile End Park, and the other open spaces within King George's Field, Mile End, for the use and enjoyment of the public. All direct and support costs including central staff costs, and depreciation charges are allocated to this primary activity to further the charity's objective.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets (Plant and Machinery) are initially recognised at cost. After recognition under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Tangible fixed assets (Land and Building) are valued on the basis of Existing Use Value (EUV) and recognised in the Balance sheet. Valuation of Land and Building has been carried out by qualified RICS valuers (Wilks, Head & Eve) on a rolling basis.

Depreciation is charged so as to allocate the cost of tangible fixed assets, less their residual value, over their useful economic lives on a straight-line basis.

Useful economic lives are assessed on the following basis:

Land and Building	- 26-54 years
Plant and Machinery	- 5 years

1.6 Investments held as Fixed Assets

Investment properties assets are initially recognised at cost. After recognition under cost model, they are revalued on a fair value basis at the reporting date. These assets are revalued annually and not subjected to depreciation. Gains or losses on revaluation are recognised in the Statement of Financial Activities (SOFA).

1.7 Debtors

Trade debtors are recognised at the settlement amount after any trade discount offered.

1.8 Cash at bank and in hand

Cash at bank represents charity's cash held at bank.

1.9 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipated it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2. Prior Year Adjustment Note

The charity has made material adjustments to restate figures previously reported in 2017/18. In addition, corrections have been made to record balances correctly between Fixed Assets, Investment assets, debtors, creditors, and cash at bank. In addition, mapping errors have been corrected in the Income and Expenditure account of the same year.

The impact of the adjustments is as stated below:

- a. Tangible fixed assets: Previously reported the closing balance of Land and Building assets at 31/03/2017 was nil. The charity has now recognised Land and Building assets within its control, totalling £10,087,500, at 31/03/2017. In addition, previously reported the closing balance of Plant and Machinery assets at 31/03/2018 was nil. The charity has now recognised Plant and Machinery assets, totalling £13,869 at 31/03/2018.
- b. Investments in Fixed Assets: Previously reported the closing balance of investments in fixed assets at 31/03/2017 was nil. The charity has now recognised investments in fixed assets within its control, totalling £6,228,400, at 31/03/2017.
- c. Debtors, Creditors and Cash at bank: Previously debtor (£144,832) and creditor (£2,350) balances were reported within cash at bank at 31/03/2017. The accounts have been restated so these balances are reported in gross debtors and creditors as at 31/03/2017. The restated cash balance at 31/03/2017 is £76,234. Previously debtor (£182,835) and creditor (£25,091) balances were reported within cash at bank at 31/03/2018. The accounts have been restated so these balances are reported in gross debtors and creditors as at 31/03/2018. The restated cash balance at 31/03/2018 is £95,976.
- d. The 2017/18 Statement of financial activities (SOFA) has been restated to account for depreciation of Land and Building (£77,892), and revaluation losses on investment in fixed assets (£22,500). Further, cost relating to Plant and Machinery (£13,869), previously expensed, has been restated and capitalised unto the balance sheet (tangible fixed assets).

3. Fund Accounting

Unrestricted Funds: General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Endowment Funds: The charity has permanent endowments with no power to convert the capital into income. The charity has permanent endowments in the form of investments in fixed assets and tangible fixed assets (Land and Building). The income generated from these permanent endowments are unrestricted and used to further the charity objective.

4. Income from Donations and Legacies

	Current year Unrestricted Funds 2019 £	Current year Endowment Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
Donations and gifts from individuals	319,431	-	319,431	139,510
Total Donations, Grants and Legacies	319,431	-	319,431	139,510

5. Income from Charitable Activities

	Current year Unrestricted Funds 2019 £	Current year Endowment Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total funds 2018 £
Admission fees	46,650	-	46,650	78,899
Hire of Premises	346,548	-	346,548	315,289
Total from charitable activities	393,198	-	393,198	394,188

6. Income from Other Non-Charitable Activities

	Current year Unrestricted Funds 2019 £	Current year Endowment Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
Licence Fees	28,000	-	28,000	54,500
Car Park Income	24,725	-	24,725	17,370
Refunds	-	-	-	811
Total from other activities	52,725	-	52,725	72,681

7. Investment Income

The charity held in year, investment in fixed assets (shops), from which rental income was received and the proceeds have been used to further the charity's objective.

	Current year Unrestricted Funds 2019 £	Current year Endowment Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
Property Rental Income	593,866	-	593,866	471,477
Total investment income	593,866	-	593,866	471,477

8. Expenditure on charitable activities

Expenditure on charitable activities - Direct spending

	Current year Unrestricted Funds 2019 £	Current year Restricted Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
Gross wages and salaries - charitable activities	216,478	-	216,478	141,821
Travel and Subsistence - Charitable Activities	3,400	-	3,400	950
Employee related expenses	86,154	-	86,154	129,208
Events and Exhibitions	48,110	-	48,110	42,692
Total direct spending	354,142	-	354,142	314,671

Expenditure on charitable activities - Support Costs

<i>Current Year</i>	Current year Unrestricted Funds 2019 £	Current year Endowment Funds 2019 £	Current year Total Funds 2019 £	Prior Year Total Funds 2018 £
<i>Premises Expenses</i>				
Rent payable under operating leases	23,192	-	23,192	126,363
Rates and water charges	33,074	-	33,074	22,826
Equipment, repairs, expenses and maintenance	538,485	-	538,485	485,672
Cleaning and waste management	26,114	-	26,114	42,509
<i>Administrative overheads</i>				
Telephone, fax and internet	1,760	-	1,760	1,063
Stationery and printing	4,610	-	4,610	4,329
Equipment expenses	21,817	-	21,817	25,718
Advertising and marketing	2,694	-	2,694	225
Insurance	3,282	-	3,282	1,000
<i>Professional Services and Security Fees</i>				
Professional services and security fees	57,200	-	57,200	62,233
<i>Financial costs</i>				
Depreciation & Amortisation in total for the period	2,774	77,892	80,666	77,892
Total support costs - Current Year	715,002	77,892	792,894	849,830

Other Expenditure - Governance costs

<i>Current Year</i>	Current year	Current year	Current year	Prior Year
	Unrestricted	Endowment	Total	Total Funds
	Funds	Funds	Funds	
	2019	2019	2019	2018
	£	£	£	£
Auditor's fees	8,400	-	8,400	-
Total Governance costs	8,400	-	8,400	-

Total Charitable expenditure

<i>Current Year</i>	Current year	Current year	Current year	Prior Year
	Unrestricted	Endowment	Total	Total Funds
	Funds	Funds	Funds	
	2019	2019	2019	2018
	£	£	£	£
Total direct spending	354,142	-	354,142	314,671
Total support costs	715,002	77,892	792,894	849,830
Total Governance costs	8,400	-	8,400	-
Total charitable expenditure	1,077,544	77,892	1,155,436	1,164,501

All charitable expenditures in relation to prior year (2017/18) was on unrestricted funds, except for the support costs for depreciation charges (£77,892). This is relating to Endowment tangible fixed assets – Land and Building, which was recorded against endowment funds.

Staff costs and emoluments

<i>Salary costs</i>	2019	2018
	£	£
Gross Salaries excluding trustees and key management personnel	189,254	120,862
Employer's National Insurance for all staff	14,828	11,896
Employer's contribution to defined benefit pension schemes	12,396	9,063
Total salaries, wages and related costs	216,478	141,821

The average number of part time staff employed in the year was 7 4

Employees working in the Mile End Park and other local parks and open spaces are London Borough of Tower Hamlets employees. No employee received more than £50,000 in either 2018/19 or 2017/18. They are eligible to join the Local Government Pension Scheme administered by the London Borough of Tower Hamlets.

9. Tangible Fixed Assets

<i>Current Year</i>	Land and Buildings	Plant & Machinery	Total
	£	£	£
Cost			
At 1 April 2018	10,087,500	13,869	10,101,369
Additions	-	34,152	34,152
At 31 March 2019	10,087,500	48,021	10,135,521
Depreciation			
At 1 April 2018	77,892	-	77,892
Charge for the year	77,892	2,774	80,666
At 31 March 2019	155,784	2,774	158,558
Net book value			
At 31 March 2019	9,931,716	45,247	9,976,963
At 31 March 2018	10,009,608	13,869	10,023,477
<i>Prior Year</i>			
	Land and Buildings	Plant & Machinery	Total
	£	£	£
Cost			
01 April 2017	10,087,500	-	10,087,500
Additions	-	13,869	13,869
31 March 2018	10,087,500	13,869	10,101,369
Depreciation			
01 April 2017	-	-	-
Charge for the year	77,892	-	77,892
31 March 2018	77,892	-	77,892
Net book value			
31 March 2018	10,009,608	13,869	10,023,477
31 March 2017	10,087,500	-	10,087,500

10. Investment in fixed assets

2018/19	Investment Properties £	Total £
Cost		
B/fwd	6,205,900	6,205,900
Additions	-	-
Revaluations	(24,800)	(24,800)
Disposals	-	-
C/fwd	<u>6,181,100</u>	<u>6,181,100</u>
2017/18		
	Investment Properties £	Total £
Cost		
B/fwd	6,228,400	6,228,400
Additions	-	-
Revaluations	(22,500)	(22,500)
Disposals	-	-
C/fwd	<u>6,205,900</u>	<u>6,205,900</u>

11. Debtors

	2019 £	2018 £
Trade debtors	173,199	182,835

12. Cash at bank and in hand

Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand at for the year ended 31 March	371,054	95,976
Total cash and cash equivalents	<u>371,054</u>	<u>95,976</u>

13. Creditors: amount falling due within one year

	2019 £	2018 £
Trade creditors	147,235	132,091

14. Funds represented by assets and liabilities

Particulars of how particular funds are represented by assets and liabilities

At 31 March 2019	Unrestricted funds £	Endowment funds £	Total Funds £
Tangible Fixed Assets	45,247	9,931,716	9,976,963
Investment in Fixed Assets	-	6,181,100	6,181,100
Current Assets	544,253	-	544,253
Current Liabilities	(147,235)	-	(147,235)
	442,265	16,112,816	16,555,081

At 1 April 2018	Unrestricted funds £	Endowment funds £	Total Funds £
Tangible Fixed Assets	13,869	10,009,608	10,023,477
Investment in Fixed Assets	-	6,205,900	6,205,900
Current Assets	278,811	-	278,811
Current Liabilities	(132,091)	-	(132,091)
	160,589	16,215,508	16,376,097

15. Related Party Transactions

The trustees of the charity are elected councillors of the London Borough of Tower Hamlets. There are substantial material related party transactions between London Borough of Tower Hamlets (LBTH) and the charity for the year ended 31st March 2019 and 31st March 2018.

16. Post Balance Sheet Event

There is no post balance sheet event to be disclosed.

17. Trustees Remuneration

There were no Trustee's remuneration, expenses, or other benefits for the year ended 31st March 2019 and 31st March 2018.

18. Contingent Liability

There were no contingent liabilities for the year ended 31st March 2019.