

KING GEORGE'S FIELD, MILE END
Audited Financial Statements
for the year ended 31 March 2020

KING GEORGE'S FIELD, MILE END

Contents

	Page
Reference and Administrative Details of the Charity, its Trustee and Advisers	3
Trustee's Report	4 - 12
Statement of Trustee's Responsibilities	13
Auditors Report	14 - 17
Statement of Financial Activities, Balance Sheet and Cash Flow Statement	18 - 22
Notes to the Financial Statements	23 - 32

KING GEORGE'S FIELD, MILE END

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEE AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2020

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 LLP
Craven House
16 Northumberland Avenue
London
WC2N 5AP

Charity Number: 1077859

REPORT OF THE TRUSTEE For the Year Ended 31 March 2020

The trustee presents its report and the financial statements for the year ended 31 March 2020.

Explanatory Note:

King George's Field, Mile End Charity is a registered charity. It is referred to throughout this report as the "Charity".

1. Structure, Governance and Management

The King George's Field charity is registered with the Charity Commission as King George's Field, Mile End Charity, registered number 1077859.

The King George's Field, Mile End charity is governed by a Trust Deed. The King George's Field, Mile End charity is unincorporated, and the charitable trust is established by a Scheme of the Charity Commission dated 28th February 2000.

The Council as Trustee holds the freehold land referred to in this report on behalf of the Charity.

The King George's Field, Mile End Charity Board (which sits as a committee) was established by section 3.3.12 of the Council's Constitution, which gives it the following functions:

- To administer the affairs of the King George's Field charity and discharge all the duties of the Council as sole trustee of the Charity
- To administer the affairs and discharge the duties of trustee of such other charities controlled by the Council as the Executive might authorise. The Executive function is to discharge all functions not specified as the responsibility of the full Council or of any other Committee, where the Mayor has delegated his powers to the Cabinet as set out in the Executive Scheme of Delegation.

For Mile End Park and Stepney Green Park annual Management Plans are produced, which is geared to the annual Green Flag campaign, and looks at the park for the period January to December.

The Parks Service within Tower Hamlets Council was restructured into the Arts, Parks and Events Service during 2012/2013. Key responsibility for this service rests with the Head of Arts, Parks and Events. Mile End Park is managed by the Parks Manager and the day to day running of Mile End Park is delegated to the Parks Development Officer (Community); Parks Development Officer (Infrastructure) and Parks Community Involvement Officer (Young People).

The original Trust Deed, and the subsequent variations, which are referred to below, also dealt with the use of other open space and park areas, within what is now the London Borough of Tower Hamlets. These other areas are managed by other Council employees.

2. Objectives and Activities

The Charity's objectives are set out in the Trust Deed, dated 9th November 1965, and a Deed of Variation, date 9th January 1997. They are as follows:

- To preserve in perpetuity the covenanted land and to apply the land to such charitable purposes as are set out in the Recreational Charities Act 1958, including the construction of indoor

recreational facilities, subject to the approval of the National Playing Fields Association and the Charity Commission in respect of any additional purposes.

Generally, the Charity maintains the area of Mile End Park, and the other open spaces within King George's Field, Mile End, for the recreation of the general public, including but not limited to the inhabitants of the London Borough of Tower Hamlets. The other park and open space areas are managed to achieve similar objectives.

The land is managed by Tower Hamlets Parks and Open Spaces whose service priorities are as follows:

- Strives to make all parks and open spaces within Tower Hamlets places where people feel safe, secure, and that visiting such green spaces is an enjoyable experience.
- Recognises the importance of parks and green spaces as major community assets.
- Fully recognises the importance and benefits of parks and open spaces as places for recreation, leisure and play for all communities within Tower Hamlets.
- Recognises the importance of the Borough's parks and open spaces and ensures that all of our wide-ranging communities and partners have equal opportunities to use them.
- Encourages the historical heritage of many of Tower Hamlets parks and open spaces and works closely with colleagues and partners alike to protect such cultural assets.
- Manages and maintains the Borough's parks and open spaces on behalf of the communities we serve.

The key landscape design aims for all Tower Hamlets parks and open spaces will inform any future developments in Mile End Park:

- Retain the open, green aspect of the park
- Retain and enhance the main desire lines but avoid criss-crossing the park with paths
- Enhance the public's feelings of security
- Enhance nature conservation and biodiversity
- Enhance and manage boundary and other planting
- Provide public art features that increase the visual interest and identity of the site and involve the community
- Enhance the attractiveness of the park
- Establish a positive site identity that is clear from within and outside the park
- Focus formal design and ensure that this sight line remains open for all time

London Borough of Tower Hamlets, as Corporate Trustee, is aware of the Charity Commission's guidance on Public Benefit and believes this has been followed as outlined below.

Compliance with Public Benefit Requirements:

The Charity has maintained the lands within Mile End Park and other King George's Field charity sites to an acceptable standard with ongoing improvements implemented listed in the above investments. The parks continue to be well used supporting as they do a number of key facilities:

- Mile End Leisure Centre
- Stepney Green artificial football pitch
- Playgrounds
- Outdoor activities centre including BMX track
- Various water features
- Areas of biodiversity
- Pavilions with free activity
- Outdoor gym equipment
- Programme of events and workshops

- Variety of spaces for walks and informal sports activity

3. Achievements and Performance

General:

- The Park retained its Green Flag status for 2019.
- 6,741 people benefited from events and activities. Table 1 provides a breakdown of beneficiaries.
- There were 209 workshops and activity session provided and five events held in Mile End Park.
- The Arts and Ecology Pavilions saw an increase in private bookings, exhibition days and community bookings.

It should be noted the number of beneficiaries/participants was reduced on previous years due to the Coronavirus pandemic.

Events and activities in Mile End Park this year:

The service carried out a high level, as shown in Table 1 below, of successful community events and children’s activities within the Mile End Children’s Pavilion and elsewhere in the park.

During the period of 2019/20 a number of activities were delivered including pizza making, arts & crafts and gardening workshops were delivered. The main premise was to allow residents to take part in meaningful and engaging activities and explore Mile End Park. The team also delivered a vast amount of community engagement events such as, A Day By The Sea Side, Annual Friends of Mile End Park Dog Show and Healthy Lifestyles Day in line with Mile Children’s Centre.

Table 1:

	Stay and Play	MEP workshop activity	MEP Events
Total individuals benefiting/taking part	2,834	1,748	2,159
Number of events and activities	185	24	5

Number of volunteers:

983 volunteers participated in a range of activities to support the maintenance and upkeep of Mile End Park in 2019/20.

Events and Activities in Mile End Park Arts and Ecology Pavilions:

The Arts and Ecology Pavilions hosted a number of free to access days for the public and commercial bookings across the year to support community engagement and income generation. A summary of the bookings is provided in Table 2, below.

Table 2: Summary of bookings

	Arts Pavilion (number of days)	Eco Pavilion (number of days)
Private	28	100
Exhibition (including set up)	107	0
Exams (QMUL)	39	39
Community	25	27
Closed for works	7	33
Total Occupancy	206	199

Pavilion highlights:

Summer of Art Exhibition - Earth to Sky

10 days of free to access exhibition, featuring workshops and performances. Included community memorial event for Jill Fulbrook, Exhibition Officer.

Depictions of Living and EcoFutures

Two separate two week-long exhibitions discussing environmental themes.

Essential School Of painting

Bethnal Green Fine Art School end of year showcase featuring David Mach RA.

Urban Makers east - Maker's fayres

Very successful Summer and Winter craft fayres in the Ecology Pavilion showcasing local craft makers and their products.

East London Printmakers

Annual Showcase of the ELP members works.

Tower Hamlets Arts Networking event

Annual event attended by over 100 Tower Hamlets arts and culture practitioners. Featuring information stalls from 20 organisations including several NPO's.

London in Bloom and Tower Hamlets in Bloom

Annual awards ceremony for resident gardeners and the annual London wide award ceremony.

St Georges and Xmas tea dances

Highly popular tea dances for the over 50's.

"Unwedding" Show

Two day event showcasing wedding suppliers for a modern contemporary wedding style.

The Mindful Market

Very successful vegan and sustainability market hosted by The Vegans of London.

All Points East Local Business Fair

Engaging local business for All Points East, a major outdoor festival held in Victoria Park.

There were also:

- Nine Blood Donor Sessions

- Two weeks of the Junior Citizens Programme open to all Tower Hamlets' schools
- Highway's disability transport showcase day
- Eid Market
- Friends of Mile End Park Annual General Meeting
- TFL Recruitment Fair
- International Day of Persons with Disabilities
- The Bike Life Launch
- 30 wedding receptions including 10 ceremonies.

Mile End Park Friends Group:

Rangers continue to work with and support the Friends of Mile End Park who organise events and act as a critical friend regarding development of plans and priorities.

Other community engagement schemes:

Across the park and pavilions a range of community engagement schemes are supported including:

- Volunteer schemes
- Community Garden schemes
- Tower Hamlets in Bloom - annual garden competition
- Community arts exhibitions

Biodiversity Activities and Achievements:

In 2019/20 we achieved the following improvements towards biodiversity:

- A mixed native hedge in Mile End Park and a large flower bed of nectar-rich perennials in Dockers Tanner Open Space.
- The Council's Arboricultural Team, working with the Parks Service, will plant 11 native trees to extend Haverfield Woodland Walk in Mile End Park as part of the Woodland Trust's "Big Climate Fightback".
- Several black poplar trees and an orchard were planted in Mile End Park.

Investments made:

In addition to the usual repairs and maintenance regime monies were invested in the following:

- Additional picnic benches
- Third phase of planting up gaps in central reservation
- Revision of park web pages
- Installation of CCTV at Urban Adventure Base to help reduce ASB there
- Planting of 40 native trees in Eco area and south of the park
- Commissioning of feasibility study for two new five a side artificial pitches in Stepney Green
- Improvements to air conditioning at all three pavilions
- Installation of lighting on walking route in south Mile End Park
- Refresh of aquatic plants at the Pavilion pond
- Refurbished toilet facilities in pavilions.

4. Financial Review

The full year's accounts are attached to this annual report.

All income generated within the King George's Field charity lands go to the charities accounts to support the public access to good quality sports and leisure facilities.

The Charity generates income to fund the maintenance of the park and its programme of activities. This income is generated through:

- Rentals of shop/restaurant units plus climbing wall centre. These properties are managed by Council's Asset Management team. They have outsourced the management of the shop units under the green bridge. The external company collect rents and service charges, reviews leases and find tenants for any vacant lots.
- Operation of car parking spaces, these being in Haverfield Road and Lawton Road (by green bridge). These are managed by the Council's parking services.
- Corporate volunteer schemes. Managed by the Parks Team these provide a useful volunteer work force for maintenance of the park and also income from a fee per participant.
- Hire of artificial football pitch at Stepney Green. Managed by the Parks Team. The site does generate a small surplus and the majority of the teams using the facility are local to Tower Hamlets and the fees are amongst the cheapest in London.
- Hire of pavilions for weddings, private parties and exhibitions. Bookings are managed and staffed by parks personnel, including a pool of casual events staff. Facilities Management manage the utility bills, cleaning and maintenance.
- Commercial activity such as fairgrounds and film locations. These are managed by the Council's Festivals and Events team with the income coming to the Charity.

The Charity's financial position at the end of 2019/20 shows a decrease in net assets of £388,196 to £16,007,873 (2018/19: £16,396,069) driven largely by a reduction within our endowment funds of £103,192 and decreases in unrestricted funds of £285,004.

The Charity's endowment funds totalling £16,009,624 (2018/19: £16,112,816), include tangible and investment fixed assets. Tangible fixed assets totalling £9,853,824 (2018/19: £9,931,716), support the public access to good quality sports and leisure facilities, including Mile End and Stepney Green Park as well as the pavilions and football pitches on park lands. Investment assets totalling £6,155,800 (2018/19: £6,181,100), are held to generate rental income to further support the charitable objects of the Charity.

The Charity's unrestricted fund totalling a deficit of £1,751 (2018/19: £283,253 surplus) comprises the cumulative remaining deficits at the year-end. All rental income arising from investment assets held in the endowment fund is credited directly to this fund. The unrestricted fund is available to use in carrying out the charitable objects of the Charity.

The Charity currently does not have a policy on level of reserves since the sole Trustee is the London Borough of Tower Hamlets, which meets in full the Charity's net expenditure, so the Charity's funding is secured. The Trust Charity Board therefore has not set up any financial reserves to protect against any unforeseen fluctuations in income or expenditure.

The UK Government imposed coronavirus (Covid-19) lockdown measures in England on 26 March 2020 and subsequently revised and extended them. As a result, many workers were furloughed and almost all schools, businesses, venues, facilities and amenities were closed. After this lockdown was lifted, various other restrictions were in place throughout 2020 and a second lockdown was implemented from the 5 November 2020. Although March 2020 saw the first few weeks of the Covid-19 crisis, the full financial consequences will fall in 2020/21 and future years. The financial impact of Covid-19 in 2019/20 was not deemed material on reserves since the events after the reporting period do not indicate that the Charity would be unable to continue as a going concern.

Risk Management:

The key risks to the Charity include financial, reputational and public safety risks.

Income generation

The Park management team, on behalf of the Charity, acts to create a sustainable income stream to support the maintenance of the park and its infrastructure.

The Green Bridge rental units provide a significant contribution to the Charity's income stream.

In relation to this property rental income stream we have identified the following risks:

- Non payment of rent/arrears
- Tenants vacating/serving Notice
- Breaches of leases

To mitigate against the above risks a competent lettings agent, appointed by the Council, manages the tenancy arrangements for the Green Bridge rental units to ensure best value and good management of tenants.

Rental arrears

The lettings agent takes a proactive approach to monitoring rental income and take early intervention if there are any issues identified with a tenant. If required, the council can undertake debt recovery action ensuring rent is received and arrears are managed.

Tenants vacating/serving Notice

Historically the rental units have been fully occupied with a low turnover of tenants. Some of the units have been occupied by the same tenants for over ten years and during the pandemic only one tenant ceased to trade, and they easily assigned their lease, showing the resilience of the location. The location is attractive to a wide range of businesses due to its proximity to Mile End tube station, a nearby university and residential areas that provide a high level of footfall.

With a large number of the tenants benefitting from Security of Tenure under the Landlord and Tenant Act 1954, they would have to serve notice on the landlord to leave. As a result, there will be at least a 3-month notice period, which will assist in the marketing of the unit and would hopefully mitigate the risk of a void period and loss of income. In the event of a unit being vacant for a period of time the Charity could utilise the council's Meanwhile Use programme to temporarily occupy a vacant unit with a 'pop-up' shop, thereby maintaining the vitality of the location. It also has the impact of maintaining occupation, and therefore mitigates void costs, as well as the risk of squatters.

Breaches of leases

Leases are monitored by the letting agent and the Park management team with support from the council's enforcement and legal teams if required. This approach enables any breaches or compliancy issues to be resolved as quickly as possible.

In addition to rental income, the Charity also relies on income generated through the venue hire of the Arts and Ecology Pavilions. The Park management team promotes and manages bookings for the pavilions, which are now well-established venues for weddings, private, commercial and corporate events that generate income. Improvements include setting up an Instagram account, which has helped to increase the number of enquiries and bookings. Although there are peak periods for hirers (spring to autumn), the Park management team continue to diversity the range of clients and adapt to changing market considerations.

Costs of Repairs and Maintenance

The Park management team operates a comprehensive inspection and repair regime for the Charity's land and facilities. In addition, the Charity reinvests some of the income generated through hires to upgrade facilities and equipment to ensure its open spaces and buildings are safe and welcoming places for the public and commercial tenants and venue hirers.

In addition, the council's Facilities Management team undertake regular preventative maintenance and surveys. This overall approach of maintaining and investing reduces the risk of significant building/facility failures that could lead to larger and unplanned for repairs and/or replacement costs.

Reputational and Safety Risks

As outlined above, income from tenancies and hires is utilised to undertake repairs and maintenance of the Charity's assets. This approach enables the Charity to ensure Health and Safety legislation is complied with and that the buildings remain in a good state of repair. As the venues are hired out regularly, it is important both operationally and reputationally that the buildings are well maintained.

The Parks management team implements safe practices for the parks and amenities including regular patrols by Park Rangers with any issues recorded and reported to management. There are operational procedures for the regular inspection and maintenance of play and gym equipment by trained park staff and independent play inspectors. These operating procedures have been developed in line with the relevant guidance and reviewed by the council's Corporate Health and Safety team.

Additional monitoring and maintenance of the Charity's park lands is undertaken by the Council's Green Team who ensure that the land is well maintained. The combination of regular Park patrols and Green Team maintenance helps to ensure that the Charity's land is well maintained and a safe environment for people to visit.

5. Reference and Administrative details

Charity Name: The King George's, Field Mile End Charity

Other name the charity uses: King George's Fields Stepney (Previous name)

Registered charity number: 1077859

Principal Address:

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

Auditors:

Arnold Hill & Co LLP
Craven House
16 Northumberland Avenue
London
United Kingdom
WC2N 5AP

Bankers:

RBS

Sort Code: 60-03-19

Account No: 75666952

Solicitors:

The Charity's solicitors are the Legal Service of the London Borough of Tower Hamlets.

The King George's Field Charity Board:

The Board consisted of the Cabinet with the following members for the financial year 2018/19 until present. Changes to the Cabinet's composition can be made by the Mayor at any time and any such changes in this period were reflected concurrently in the Board's membership.

2019-20 to present	Appointed	Retired
Mayor John Biggs	Prior to start of period	NA
Councillor Sirajul Islam	Prior to start of period	NA
Councillor Rachel Blake	Prior to start of period	NA
Councillor Asma Begum	23/05/18	NA
Councillor Amina Ali	Prior to start of period	03/06/20
Councillor David Edgar	Prior to start of period	03/06/20
Councillor Danny Hassell	23/05/18	NA
Councillor Denise Jones	Prior to start of period	16/05/19
Councillor Candida Ronald	23/05/18	NA
Councillor Motin Uz-Zaman	23/05/18	NA
Councillor Dan Tomlinson	03/06/20	01/09/21
Councillor Eve McQuillan	03/06/20	01/09/21
Councillor Asma Islam	03/06/20	NA
Councillor Kahar Chowdhury	01/09/21	NA
Councillor Mufedah Bustin	03/06/20	NA
Councillor Sabina Akhtar	16/05/19	NA

The Mayor of the London Borough of Tower Hamlets on behalf of the trustee (London Borough of Tower Hamlets):

Date:

STATEMENT OF TRUSTEE RESPONSIBILITIES

The trustee is responsible for preparing the Trustee Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in England and Wales requires the trustee to prepare financial statements for each financial year which give a true and fair view of the incoming resources and application of the resources of the charity during the year and of its state of affairs at the end of the year. In preparing these financial statements the trustee is required to:

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable 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 operation;

The trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the Charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPOINTMENT OF AUDITORS

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

The Mayor of the London Borough of Tower Hamlets on behalf of the trustee (London Borough of Tower Hamlets):

Date:

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

Opinion

We have audited the financial statements of King George's Field, Mile End (the 'charity') for the year ended 31 March 2020 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee's report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustee

As explained more fully in the Statement of Trustee Responsibilities, the trustee is responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Detection of fraud and breaches of regulations

To identify risks of material misstatement due to fraud, we considered events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to do so. Our approach included:

- using analytical procedures to identify unusual relationships;
- reading minutes of trustee meetings;
- discussing charity policies and procedures on fraud detection and prevention with trustee, and enquiring about any knowledge of actual, alleged or suspected fraud.

We communicated identified fraud risks throughout our team and remained alert to any indications of fraud throughout the audit.

To identify risks of material misstatement due to non-compliance with laws and regulations, our approach was as follows:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general charity experience, and through discussion with the trustee and other management (as required by auditing standards), and discussed with the trustee and other management the policies and procedures regarding compliance with laws and regulations;
- We considered the legal and regulatory frameworks directly applicable to the financial statements reporting framework (FRS 102 and the Charities Act 2011) and the relevant tax compliance regulations;
- We considered the nature of the industry, the control environment and charity's performance.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. We also performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risks that revenue is recorded in the wrong period and that management may be in a position to make inappropriate accounting entries. Our procedures included: testing manual journals; reviewing the financial statement disclosures and testing to supporting documentation; performing analytical procedures; and enquiries of management, and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. The risk is also greater regarding non-detection of fraud rather than error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "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)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with current Generally Accepted Accounting Practice.

Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Stephanie Evans (Senior Statutory Auditor)
for and on behalf of Arnold Hill & Co LLP

.....

Chartered Accountants
Statutory Auditor

Craven House
16 Northumberland Avenue
London
United Kingdom
WC2N 5AP

Arnold Hill & Co LLP is eligible for appointment as auditor of King George's Field, Mile End by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

**KING GEORGE'S FIELD, MILE END
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Current year Unrestricted Funds 2020 £	Current year Endowment Funds 2020 £	Current year Total Funds 2020 £	Prior Year Total Funds 2019 £
Income & Endowments from:					
Donations	3	203,440	-	203,440	319,431
Charitable activities	4	390,095	-	390,095	393,198
Other trading activities	5	23,754	-	23,754	52,725
Investment Income	6	520,759	-	520,759	502,088
Total income	A	1,138,048	-	1,138,048	1,267,442
Expenditure on:					
Charitable activities	7	1,423,052	77,892	1,500,944	1,252,193
Total expenditure	B	1,423,052	77,892	1,500,944	1,252,193
Net (gains)/loss on investments	C	-	25,300	25,300	24,800
Net surplus / (deficit) for the year	A-B-C	(285,004)	(103,192)	(388,196)	(9,551)
Net movement in funds		(285,004)	(103,192)	(388,196)	(9,551)
Reconciliation of funds:-					
Total funds brought forward	E	283,253	16,112,816	16,396,069	16,405,620
Total funds carried forward		(1,751)	16,009,624	16,007,873	16,396,069

The Statement of Financial Activities includes all gains and losses recognised in the year.
All activities are derived from continuing operations.

KING GEORGE'S FIELD, MILE END - Analysis of prior year (2018/19)

		Current year Unrestricted Funds 2019 £	Current year Endowment Funds 2019 £	Current year Total Funds 2019 £
Income & Endowments from:				
Donations	4	319,431	-	319,431
Charitable activities	5	393,198	-	393,198
Other trading activities	6	52,725	-	52,725
Investment Income	7	502,088	-	502,088
Total income	A	1,267,442	-	1,267,442
Expenditure on:				
Charitable activities	8	1,174,301	77,892	1,252,193
Total expenditure	B	1,174,301	77,892	1,252,193
Net (gains)/loss on investments	C	-	24,800	24,800
Net surplus / (deficit) for the year	A-B-C	93,141	(102,692)	(9,551)
Net movement in funds		93,141	(102,692)	(9,551)
Reconciliation of funds:-	E			
Total funds brought forward		190,112	16,215,508	16,405,620
Total funds carried forward		283,253	16,112,816	16,396,069

The Statement of Financial Activities includes all gains and losses recognised in the year.
All activities are derived from continuing operations.

KING GEORGE'S FIELD, MILE END - Resources applied in the year ended 31 March 2020 towards fixed assets for Charity use:-

	2020 £	2019 £
Funds generated in the year as detailed in the SOFA	(388,196)	(9,551)
Resources applied on functional fixed assets	(29,568)	(34,152)
Net resources available to fund charitable activities	(417,764)	(43,703)

Movements in revenue and capital funds for the year ended 31 March 2020

Revenue accumulated funds

	Current year Unrestricted Funds 2020 £	Last year Unrestricted Funds 2019 £
Accumulated funds brought forward	283,253	190,112
Recognised gains and losses before transfers	(285,004)	93,141
	<u>(1,751)</u>	<u>283,253</u>
Closing unrestricted funds at 31st March	<u>(1,751)</u>	<u>283,253</u>

	Current year Endowment Funds 2020 £	Last year Endowment Funds 2019 £
At 1 April	16,112,816	16,315,900
Transfer (to)/from revenue funds	(103,192)	(203,084)
	<u>16,009,624</u>	<u>16,112,816</u>
Closing endowment funds at 31st March	<u>16,009,624</u>	<u>16,112,816</u>

	Total Funds 2020 £	Last Year Total Funds 2019 £
Revenue accumulated funds	(1,751)	283,253
Fixed asset funds	16,009,624	16,112,816
Total funds	<u>16,007,873</u>	<u>16,396,069</u>

KING GEORGE'S FIELD, MILE END

**BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	8	9,919,035	9,976,963
Investments held as fixed assets	9	6,155,800	6,181,100
Total fixed assets		16,074,835	16,158,063
Current assets			
Debtors	10	161,556	582,039
Total current assets		161,556	582,039
Creditors: amounts falling due within one year	11	(228,518)	(344,033)
Net current assets		(66,962)	238,006
The total net assets of the charity		16,007,873	16,396,069

The total net assets of the charity are funded by the funds of the charity, as follows:-

Endowment funds

Endowment Investment & Fixed Asset Funds	12	16,009,624	16,112,816	16,112,816
		16,009,624		16,112,816
Unrestricted Funds				
Unrestricted Revenue Funds	12	(1,751)	283,253	283,253
		(1,751)		283,253
Total charity funds		16,007,873	16,396,069	

The Mayor of the London Borough of Tower Hamlets on behalf of the trustee (London Borough of Tower Hamlets):

Date:

KING GEORGE'S FIELD, MILE END

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
Cash flows from operating activities		
Net cash provided by operating activities as shown below	A <u>(971,514)</u>	<u>(108,789)</u>
<i>Cash flows from investing activities</i>		
Other investment income, including rents from investments	520,759	502,088
Purchase of property, plant and equipment	(29,568)	(34,152)
Net cash provided by investing activities	B <u>491,191</u>	<u>467,936</u>
Overall cash provided by all activities	A+B <u>(480,323)</u>	<u>359,147</u>
Cash movements		
Change in cash and cash equivalents from activities in the year ended 31 March 2020	(480,323)	359,147
Cash and cash equivalents at 1 April 2019	460,214	101,067
Cash at bank and in hand less overdrafts at 31 March	<u>(20,109)</u>	<u>460,214</u>
Reconciliation of net income to net cash flow from operating activities		
Net surplus / (deficit) as shown in the Statement of Financial Activities	(388,196)	(9,551)
<i>Adjustments for :-</i>		
Depreciation charges	87,496	80,666
Net unrealised losses on investment assets	25,300	24,800
Dividends, interest and rents from investments	(520,759)	(502,088)
(Increase) / Decrease in debtors	(39,731)	90,533
Increase / (Decrease) in creditors, excluding loans	(135,624)	206,851
Net cash provided by operating activities	A <u>(971,514)</u>	<u>(108,789)</u>

KING GEORGE'S FIELD, MILE END

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 in October 2019 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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going Concern

The trustee has considered a period of at least 12 months from the date of signing these accounts and determined that there are no material uncertainties regarding the charity's ability to continue and to meet its on-going liabilities for the next 12 months. 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. The significant sources of income for the Trust relate to, donations received from the London Borough of Tower Hamlets (SOFA - Donations, Note 3), admissions fees for events and exhibitions and away days held at the park (SOFA – Charitable activities, Note 4) and rental income from retail units owned by the Trust (SOFA – Investment income, Note 6).

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. The charity's 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. Expenditure includes attributable VAT which cannot be recovered. Land and Buildings assets are subject to the de minimis for capitalisation of £50,000. Rentals payable from operating leases are charged to the Statement of Financial Activities (SOFA) to reflect the economic benefits consumed over the life of the lease.

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. An external valuation is undertaken every 5 years. 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

The Trust does not hold a bank account of its own, the London Borough of Tower Hamlets holds cash on behalf of the Trust or the Trust owes cash to the London Borough of Tower Hamlets.

1.9 Financial instruments

As per FRS 102 Section 11, the charity makes use of only basic financial instruments which are initially recognised at transaction value and subsequently measured at settlement value. Financial instruments held by the entity comprise debtors, creditors and cash.

1.10 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. Fund Accounting

Unrestricted Funds: General funds are unrestricted funds which are available for use at the discretion of the trustee 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.

3. Income from Donations

	Current year Unrestricted Funds 2020	Prior Year Unrestricted Funds 2019
	£	£
Donations	203,440	319,431
Total Donations	203,440	319,431

All income from donations relate to unrestricted funds and none for endowment funds.

4. Income from Charitable Activities

	Current year Unrestricted Funds 2020	Prior Year Unrestricted Funds 2019
	£	£
Primary purpose and ancillary trading		
Admission fees	54,020	46,650
Hire of Premises	336,075	346,548
Total Income from charitable activities	390,095	393,198

All income from Charitable activities relate to unrestricted funds and none for endowment funds.

5. Income from Other Non-Charitable Activities

	Current year Unrestricted Funds 2020 £	Prior Year Unrestricted Funds 2019 £
Licence Fees	6,348	28,000
Car Park Income	17,406	24,725
Total from other non charitable activities	23,754	52,725

All income from other non-charitable activities relate to unrestricted funds and none for endowment funds.

6. 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 2020 £	Prior Year Unrestricted Funds 2019 £
Property Rental Income	520,759	502,088
Total investment income	520,759	502,088

All income from investment income relates to unrestricted funds and none for endowment funds.

7. Expenditure on charitable activities

Expenditure on charitable activities - Direct spending

	Current year Unrestricted Funds 2020 £	Current year Endowment Funds 2020 £	Current year Total Funds 2020 £	Prior Year Total Funds 2019 £
Gross wages and salaries - charitable activities	222,855	-	222,855	189,254
Employers' NI - Charitable activities	17,909	-	17,909	14,828
Defined benefit pension costs - charitable activities	25,463	-	25,463	12,396
Travel and Subsistence - Charitable Activities	17,249	-	17,249	3,400
Employee related expenses	58,344	-	58,344	86,154
Events and Exhibitions	56,127	-	56,127	48,110
Write out of debtors	-	-	-	51,374
Total direct spending	397,947	-	397,947	405,516
<i>Premises Expenses</i>				
Rent payable under operating leases	29,523	-	29,523	68,575
Rates and water charges	46,315	-	46,315	33,074
Equipment, repairs, expenses and Cleaning and waste management	735,632	-	735,632	538,485
	72,704	-	72,704	26,114
<i>Administrative overheads</i>				
Telephone, fax and internet	4,469	-	4,469	1,760
Postage	35	-	35	-
Stationery and printing	5,514	-	5,514	4,610
Equipment expenses	41,008	-	41,008	21,817
Advertising and marketing	675	-	675	2,694
Subscriptions and Licences	352	-	352	-
Insurance	3,400	-	3,400	3,282
<i>Professional Services and Security Fees</i>				
Professional services and security fees	67,474	-	67,474	57,200
<i>Financial costs</i>				
Depreciation & Amortisation in total for the period	9,604	77,892	87,496	80,666
Total support costs - Current Year	1,016,705	77,892	1,094,597	838,277

Other Expenditure - Governance costs

	Current year Unrestricted Funds 2020 £	Prior Year Unrestricted Funds 2019 £
Auditor's fees	8,400	8,400
Total Governance costs	8,400	8,400

Total Charitable expenditure

	Current year Unrestricted Funds 2020 £	Current year Endowment Funds 2020 £	Current year Total Funds 2020 £	Prior Year Total Funds 2019 £
Total direct spending	397,947	-	397,947	405,516
Total support costs	1,016,705	77,892	1,094,597	838,277
Total Governance costs	8,400	-	8,400	8,400
Total charitable expenditure	1,423,052	77,892	1,500,944	1,252,193

All charitable expenditures in relation to prior year (2018/19) 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>	2020 £	2019 £
Gross Salaries excluding trustees and key management personnel	222,855	189,254
Employer's National Insurance for all staff	17,909	14,828
Employer's contribution to defined benefit pension schemes	25,463	12,396
Total salaries, wages and related costs	266,227	216,478

The average number of staff employed in the year was 7 7

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 2019/20 or 2018/19. They are eligible to join the Local Government Pension Scheme administered by the London Borough of Tower Hamlets. No remuneration costs of key management personnel is included within the Trust's accounts.

8. Tangible Fixed Assets

	Land and Buildings	Plant & Machinery	Total
	£	£	£
Cost			
At 1 April 2019	10,087,500	48,021	10,135,521
Additions	-	29,568	29,568
At 31 March 2020	10,087,500	77,589	10,165,089
Depreciation			
At 1 April 2019	155,784	2,774	158,558
Charge for the year	77,892	9,604	87,496
At 31 March 2020	233,676	12,378	246,054
Net book value			
At 31 March 2020	9,853,824	65,211	9,919,035
At 31 March 2019	9,931,716	45,247	9,976,963
<i>Prior Year</i>			
	Land and Buildings	Plant & Machinery	Total
	£	£	£
Cost			
01 April 2018	10,087,500	13,869	10,101,369
Additions	-	34,152	34,152
01 April 2019	10,087,500	48,021	10,135,521
Depreciation			
01 April 2018	77,892	-	77,892
Charge for the year	77,892	2,774	80,666
01 April 2019	155,784	2,774	158,558
Net book value			
01 April 2019	9,931,716	45,247	9,976,963
01 April 2018	10,009,608	13,869	10,023,477

9. Investment in fixed assets

2019/20	Investment Properties £	Total £
Cost		
B/fwd	6,181,100	6,181,100
Revaluations	(25,300)	(25,300)
	<u>6,155,800</u>	<u>6,155,800</u>
C/fwd		
2018/19	Investment Properties £	Total £
Cost		
B/fwd	6,205,900	6,205,900
Revaluations	(24,800)	(24,800)
	<u>6,181,100</u>	<u>6,181,100</u>
C/fwd		

The 2019/20 Historical cost of investment properties is £6,228,400. Valuation of investment properties is carried out on an annual basis by qualified Royal Institute of Chartered Surveyors (RICS) based on market value.

10. Debtors

	2020 £	2019 £
Trade debtors	161,556	121,825
Other debtors	-	460,214
	<u>161,556</u>	<u>582,039</u>

Other debtors represent cash held by the London Borough of Tower Hamlets on behalf of the Trust.

11. Creditors: amount falling due within one year

	2020 £	2019 £
Trade Creditors	14,811	77,497
Other Creditors	36,909	8,400
PAYE NIC VAT and other taxes	8,045	6,349
Receipts in Advance	168,753	251,787
	<u>228,518</u>	<u>344,033</u>

Included in other creditors is cash due to the London Borough of Tower Hamlets of £20,109

12. Funds represented by assets and liabilities

Particulars of how particular funds are represented by assets and liabilities

At 31 March 2020	Unrestricted	Endowment	Total
	funds	funds	Funds
	£	£	£
Tangible Fixed Assets	65,211	9,853,824	9,919,035
Investment in Fixed Assets	-	6,155,800	6,155,800
Current Assets	161,556	-	161,556
Current Liabilities	(228,518)	-	(228,518)
	(1,751)	16,009,624	16,007,873

At 1 April 2019	Unrestricted	Endowment	Total
	funds	funds	Funds
	£	£	£
Tangible Fixed Assets	45,247	9,931,716	9,976,963
Investment in Fixed Assets	-	6,181,100	6,181,100
Current Assets	582,039	-	582,039
Current Liabilities	(344,033)	-	(344,033)
	283,253	16,112,816	16,396,069

13. Leases

The Trust leases in properties, with the duration on these leases expected to end in 2097. The future minimum lease payments due under these leases in the future years are:

	2020	2019
	£	£
Not later than one year	40,450	40,450
Later than one year and not later than 5 years	161,800	161,800
Later than 5 years	2,932,625	2,973,075
Total	3,134,875	3,175,325

14. Related Party Transactions

The London Borough of Tower Hamlets is the trustee of the King George's Fields Trust charity. There are substantial material related party transactions between London Borough of Tower Hamlets (LBTH) and the charity for the year ended 31st March 2020 and 31st March 2019. Significant related party transactions included council donations of £203,440 of income in 2019/20 (£319,431 in 2018/19) to the Trust, staffing related costs incurred by the Trust from the Council of £266,227 in 2019/20 (£216,478 in 2018/19) and grounds maintenance costs incurred by the Trust from the Council of £183,420 in 2019/20 (£183,420 in 2018/19). Cash owed to the London Borough of Tower Hamlets in regards to cash overdraft on behalf of the Trust amounted to £20,109 (2018/19 - Cash held by the London Borough of Tower Hamlets on behalf of the Trust amounted to £460,214).

15. Post Balance Sheet Event

The UK Government imposed coronavirus (Covid-19) lockdown measures in England on 26 March 2020 and subsequently revised and extended them. As a result, many workers were furloughed and almost all schools, businesses, venues, facilities and amenities were closed. After this lockdown was lifted, various other restrictions were in place throughout 2020 and a second lockdown was implemented from the 5 November 2020. Although March 2020 saw the first few weeks of the Covid-19 crisis, the full financial consequences will fall in 2020/21 and future years and therefore is considered as a non-adjusting event with conditions arising after the reporting date. The financial impact of Covid-19 in 2019/20 was not deemed material on reserves since the events after the reporting period do not indicate that the Trust would be unable to continue as a going concern.

16. Trustee Remuneration

There were no trustee remuneration, expenses, or other benefits for the year ended 31st March 2020 and 31st March 2019.

17. Contingent Liability

There were no contingent liabilities for the year ended 31st March 2020 and 31st March 2019.