

King George's Field Trust Board Meeting 12 April 2023	 TOWER HAMLETS
Report of: James Thomas, Corporate Director Children and Culture	Classification: [Unrestricted]
2021/22 End of Year Accounts Approval, King George's Field Trust (KGFT)	

Lead Member	Cllr Iqbal Hossain, Cabinet Member for Culture and Recreation
Originating Officer(s)	Catherine Boyd, Head of Arts Parks and Events
Wards affected	All wards
Key Decision?	No
Reason for Key Decision	This report has been reviewed as not meeting the Key Decision criteria.
Forward Plan Notice Published	N/A
Strategic Plan Priority / Outcome	N/A

Special Circumstances Justifying Urgent Consideration (also known as 'Reasons for Urgency')

The audited accounts and reports for 2021/22 are now overdue to the Charity Commission.

This report seeks approval in order 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 Fields Trust 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 2021/22 and the annual report for 2021/22. Approval is needed in order for the accounts and report to be submitted to the Charity Commission, a legal duty for organisations with a turnover of more than £1million.

This report also provides an update on the current financial position 2022/23.

Recommendations:

The Board is recommended to:

1. Approve the audited accounts 2021/22 for submission to the Charity Commission. (Appendix 1)
2. Approve the annual report for 2021/22 for submission to the Charity Commission. (Appendix 1)
3. Approve the Letter of Representation from Arnold Hill & Co LLP. (Appendix 2)
4. Note the Letter of Ownership Confirmation sign off required by the charities auditors, Arnold Hill & Co LLP. (Appendix 3), from the Mayor of the London Borough of Tower Hamlets, before the accounts can be signed off by the charity's auditors.
5. Grant permission to appoint Arnold Hill & Co LLP to audit the accounts for 2022/23.
6. Note the current financial position for 2022/23. (Appendix 4)
7. Note the activities update for 2022/23 (Appendix 5)

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 2023 and require Board approval in order 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 2021/22 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 £19,373, resulting in a carry-forward cumulative unrestricted revenue reserve of £57,914 (taking into consideration the deficit).

3.3 The variations in both the sources of income and variations in expenditure are analysed in more detail in paragraph 3.5 of this report.

3.4 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 Arts 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.

3.5 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 2020/21 against financial year 2021/22.

Source of income	2020/21 Income £	2021/22 Income £	Variance £	Comment
Commercial Retail units (Green Bridge retail units)	£481,487	£497,951	£16,464	
Astro-turf pitch bookings and Arts and Ecology Pavilion Hires	£78,600	£253,881	£175,281	Bookings increased post pandemic.

3.6 King George’s Field Tredegar Square charity (registered number 1088999) achieved a balanced position. There was £10,200 of expenditure for Repairs and Maintenance related to grounds maintenance.

3.7 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.

- 3.8 **Appendix 4** provides an overview of the forecasted financial position for financial year April 2022 to March 2023. The headline figure is a forecasted surplus of £36,362. It should be noted that the volatility of energy prices may impact the final position, however the expected expenditure for services has been increased to allow for higher costs.
- 3.9 The major items of 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 the hire of the Arts and Ecology Pavilions. Additional income is generated through Stepney Green astro turf 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.
- 3.10 Table 2 below provides an estimated year end (2022/23) position in relation to income against the projections provided to the board in September 2022.

Table 2:

Source of income	Forecasted income 2022/23 (September 2022) £	Current Forecast 2022/23 (March 2023) £	Comment
Commercial Retail units	£500,000	£490,000	Forecast based on rental fees that form part of the tenant lease agreement.
Astro-turf pitch bookings	£130,000	£115,000	Forecast based on usage patterns. Gross income from 1 April – 28 February was £113, 720, and on target to reach £115,000 by end of March 2023.
Arts and Ecology Pavilions	£270,000	£240,000	Actual income is £267,000; however, adjustments have been made to take into account receipts in advance against deposits for bookings in 2023/24.

- 3.11 **Appendix 5** provides an overview of the activities undertaken by the Charity from 1 April 2022 to March 2023. A total of 18,574 participants, across 371 sessions, participated in free to access activities over the school holidays. A final activity report will be provided as part of the annual report for 2022/23.

3.12 Stepney Green astro turf has had 895 bookings to date with 12,530 people using the facility.

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 As this report is primarily a financial report, all financial details are contained within the Audited Accounts and Annual Report (2021-22) and the Financial Forecast (2022-23) attached.

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 (2021-22)
- Appendix 2 – Letter of Representation (2021-22)
- Appendix 3 - Letter of Ownership Confirmation
- Appendix 4 – Financial Forecast (2022-23)
- Appendix 5 – Activity Update (2022-23)

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