

Wormwood Scrubs Charitable Trust Committee

Agenda

Monday 7 October 2013

7.00 pm

Courtyard Room, Hammersmith Town Hall

MEMBERSHIP

Administration:	Opposition	Co-optees
Councillor Andrew Brown Councillor Joe Carlebach (Chair)	Councillor Elaine Chumnerly	

CONTACT OFFICER: Craig Bowdery
Principal Committee Co-ordinator
Governance and Scrutiny
☎: 020 8753 2278
E-mail: craig.bowdery@lbhf.gov.uk

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<http://www.lbhf.gov.uk/Directory/Council and Democracy>

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Date Issued: 27 September 2013

Wormwood Scrubs Charitable Trust Committee Agenda

7 October 2013

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1. APOLOGIES FOR ABSENCE	
2. DECLARATIONS OF INTEREST If a Councillor has any prejudicial or personal interest in a particular item they should declare the existence and nature of the interest at the commencement of the consideration of that item or as soon as it becomes apparent. At meetings where members of the public are allowed to be in attendance and speak, any Councillor with a prejudicial interest may also make representations, give evidence or answer questions about the matter. The Councillor must then withdraw immediately from the meeting before the matter is discussed and any vote taken unless a dispensation has been obtained from the Standards Committee. Where Members of the public are not allowed to be in attendance, then the Councillor with a prejudicial interest should withdraw from the meeting whilst the matter is under consideration unless the disability has been removed by the Standards Committee.	
3. WORMWOOD SCRUBS CHARITABLE TRUST COMMITTEE	1 - 5
To receive a report from the Chief Executive on the establishment of the Committee, its terms of reference and issues for the Committee's future consideration.	
4. WORMWOOD SCRUBS CHARITABLE TRUST STATEMENT OF ACCOUNTS 2012/13	6 - 33
To receive the financial statements for the Trust for 2012/13 (including the Annual Trustee's Report and the Statement of Accounts) and the independent auditor's opinion of the accounts.	
5. WORMWOOD SCRUBS CHARITABLE TRUST FINANCIAL FORECAST 2013/14	34 - 37
To receive a report from the Director for Finance & Resources presenting the financial forecast for 2013/14.	
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To review and receive the management plan for the Scrubs	

7. DATE OF NEXT MEETING

It is proposed that the next meeting take place on **Monday 31st March 2014**.

Agenda Item 3

 the low tax borough	London Borough of Hammersmith & Fulham WORMWOOD SCRUBS CHARITABLE TRUST COMMITTEE 7th OCTOBER 2013
Report of the Chief Executive – Derek Myers	
Open Report	
Classification - For Decision	
Key Decision: No	
Wards Affected: College Park and Old Oak	
Accountable Director: Lyn Carpenter, Executive Director of Residents Services	
Report Author: Derek Myers	Contact Details: Tel: 020 8753 2000 E-mail: Derek.Myers@lbhf.gov.uk

1. EXECUTIVE SUMMARY

- 1.1. The Wormwood Scrubs Charitable Trust Committee was established by the Council on 29th May 2013. The Committee was set up to:
 - a. provide greater assurance to the Charity Commission that the Council accepted their recommended way of carrying out its duties as a sole trustee,
 - b. afford greater time for Councillors to oversee the Trust and how it is run, and
 - c. afford local residents and supporters of the Trust greater opportunity to be part of the decision making process when decisions are being taken by the Council acting as sole Trustee.
- 1.2. This report outlines the key issues and work plan for the Committee over the next 12 months.

2. RECOMMENDATIONS

- 2.1. That Councillor Joe Carlebach, be appointed, Chairman for the 2013/14 municipal year.
- 2.2. That the Membership and Terms of Reference of the Wormwood Scrubs Charitable Trust Committee, be approved.
- 2.3. That the Committee decide whether a representative of the Friends of Wormwood Scrubs be invited to address the Committee at a future meeting or be invited to join the Committee as a co-opted non-voting independent member.

2.4. That the key issues and work plan outlined in the report, be noted.

3. REASONS FOR DECISION

3.1. The Committee will oversee the Trust and ensure that the Council complies with its duties under the relevant legislation

4. INTRODUCTION

4.1. Previously the Audit, Pensions and Standards Committee exercised the Council's duties for the Trust's accounts. It received the annual governance report of the Wormwood Scrubs Trust and approved the Trust's annual accounts on behalf of the Council. The new Committee was established by the Council on 29 May 2013 to:

- a discharge the Council's role as Sole Trustee for the Wormwood Scrubs Charitable Trust, in line with Charities Commission guidance.
- b agree the Trust's annual budget and business plan.
- c approve the use of any reserves.
- d agree the Trust's annual accounts.
- e receive and respond to the audit findings relating to the annual accounts.
- f receive reports on the effective day to day management and financial performance of the Trust.
- g allow interested parties to give their view on the performance and direction of the Trust.

4.2. The members of the Committee are Councillors Joe Carlebach, Andrew Brown and Elaine Chumnerly. Attached as **Appendix A** are the Terms of Reference for the Wormwood Scrubs Charitable Trust Committee which details both the composition and decision making powers of the Committee.

5. BACKGROUND

5.1. Wormwood Scrubs has been open public space since the Wormwood Scrubs Act of 1879. It is recognised by Natural England as an important site for wildlife. The site was formerly used for military training and the Ministry of Defence has a continuing right to use the land if it deems necessary.

5.2. Under the 1879 Act, a charitable trust was established.. The Council is the sole trustee of the Trust and is obliged to carry out its duties in accordance with the relevant provisions of the Charities Act 2011. Accounts have to be submitted to the Charity Commission each year. The Council's Chief Executive acts as the Trust's Chief Executive.

6. PROPOSALS AND ISSUES

The Friends of Wormwood Scrubs

- 6.1. The Friends of Wormwood Scrubs became a formally constituted body in January 2005. The Group is a loose grouping of Scrubs' users and well-wishers. It has regularly communicated with the Council to ensure the roles of users are heard.
- 6.2. The Committee's Terms of Reference allows it to co-opt non-voting independent members as appropriate to the Committee. The Committee may wish to consider whether a representative of the Friends ought to be invited to address the Committee at a future meeting or be invited to join the Committee as a co-opted Member.

Overview of Finances

- 6.3. The Trust receives income from a car parking contract with Hammersmith Hospital plus minor investment income. Its expenditure is principally for grounds maintenance. Grounds maintenance arrangements are bundled with the Council's other public spaces, as provided by Quadron.
- 6.4. The cost of these arrangements has been the subject of critical comment by the Friends in recent years but officers are satisfied that historic allocation of costs between the Scrubs and other public spaces was appropriate.
- 6.5. However, the Council keeps this issue under review and as opportunities are found to reduce costs overall through negotiations with Quadron, officers will ensure the costs to the Trust are similarly considered.

Ground Maintenance

- 6.6. The Council has recently agreed with the Friends that a light-touch survey of current maintenance issues should be compiled and have worked closely with the Friends (and other stakeholders) to produce an action plan to improve the site.

Future Planning For HS2 Crossrail "Hub" At Old Oak Common

- 6.7. The future planning for HS2 Crossrail "Hub" at Old Oak Common to the north of the Scrubs is just beginning. The implications, if any, for the Trust land is not known.

Linford Christie Stadium

- 6.8. Officers recognise that Linford Christie Stadium has unrealised potential and should be considered as part of any future plans.

7. The Wormwood Scrubs 2012/13 Accounts

7.1. The 2012/13 accounts and annual report are on the agenda for approval.

8. EQUALITY IMPLICATIONS

8.1. There are none.

9. LEGAL IMPLICATIONS

9.1. Legal comments are contained within the body of this report.

9.2. Implications verified by: Piero Ionta, Senior Solicitor (Litigation), FCS – Legal Services, x2724

10. FINANCIAL AND RESOURCES IMPLICATIONS

10.1. The creation of the new Wormwood Scrubs Charitable Trust Committee is intended to enable a new focus on the management of the Trust which should lead to improvements in financial performance. There are no direct financial implications arising from the proposals in this paper.

10.2. Implications verified/completed by: Mark Jones, Director for Finance and Resources, ELRS and TTS, x6700.

11. RISK MANAGEMENT

11.1. There are no significant risk management implications for this report.

12. PROCUREMENT AND IT STRATEGY IMPLICATIONS


12.1. There are no procurement of IT strategy implications.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	None		

Wormwood Scrubs Charitable Trust Committee

<p>Wormwood Scrubs Charitable Trust Committee Council has determined that the Wormwood Scrubs Charitable Trust Committee shall be constituted and shall have delegated authority for the discharge of the Council's functions as set out below.</p>	
<p>Appointed by: The Council</p>	<p>Quorum: Two</p>
<p>Membership and Political Proportionality:</p> <ol style="list-style-type: none"> 1. 3 Councillors: 2/1 2. The Committee may co-opt non-voting independent members as appropriate. 3. The Bi-Borough Director of Finance and Resources (Transport and Technical Services and Environment, Leisure and Residents Services) will attend the Committee as an advisor. 	
<p>Decision Making Powers:</p> <ol style="list-style-type: none"> 1.1 To discharge the Council's role as Corporate Trustee for the Wormwood Scrubs Charitable Trust, in line with Charities Commission guidance. 1.2 To agree the Trust's annual budget and business plan. 1.3 To approve the use of any reserves. 1.4 To agree the Trust's annual accounts. 1.5 To receive and respond to the audit findings relating to the annual accounts. 1.6 To receive reports on the effective day to day management and financial performance of the Trust. 1.7 To allow interested parties to give their view on the performance and direction of the Trust. 	

 <p>h&f the low tax borough</p>	<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">WORMWOOD SCRUBS CHARITABLE TRUST COMMITTEE</p> <p align="center">7th October 2013</p>
<p>WORMWOOD SCRUBS CHARITABLE TRUST STATEMENT OF ACCOUNTS 2012/13</p>	
<p>Report of the Executive Director of Finance and Corporate Governance</p>	
<p>Open Report</p>	
<p>Classification - For Information</p> <p>Key Decision: No</p>	
<p>Wards Affected: All</p>	
<p>Accountable Executive Director: Jane West, Executive Director of Finance and Corporate Governance</p>	
<p>Report Author: Mark Jones, Director for Finance & Resources, Environment, Leisure & Residents Services</p>	<p>Contact Details: Tel: 020 (8753 6700) E-mail: (mark.jones@lbhf.gov.uk)</p>

1. EXECUTIVE SUMMARY

- 1.1. This report presents the Wormwood Scrubs Charitable Trust financial statements for 2012/13 (comprising the Annual Trustee's Report and Statement of Accounts) and the independent auditor's opinion on the accounts prior to the conclusion of their audit work. The Trust have appointed KPMG LLP as their independent external auditors for 2012/13.
- 1.2. The report also highlights the headline information from the Annual Trustee's Report and Statement of Accounts.

2. RECOMMENDATIONS

- 2.1. To note the content of the Independent Auditor's Report to the Trustees of Wormwood Scrubs Charitable Trust (contained in the Trustee's report from page 9) stating that:
 - the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2013;
 - have been properly prepared in accordance with UK GAAP; and

- have been properly prepared in accordance with the requirements of the Charities Act 2011.
- 2.2. To approve the management representation letter (as attached as Appendix 3)
 - 2.3. To approve the Wormwood Scrubs Charitable Trust's 2012/13 audited Statement of Accounts and Trustee's report (attached as Appendices 1 and 2).
 - 2.4. To approve delegation of authority to the Director for Finance & Resources, Environment, Leisure & Residents Services for the approval of the audited 2012/13 Statement of Accounts and Trustee's report in the event of auditor changes subsequent to this Committee meeting.
 - 2.5. To approve the 2013/14 contribution to the running costs of the Linford Christie stadium up to a maximum of £110,000.
 - 2.6. To note the contents of the annual risk assessment (Appendix 4).

3. REASONS FOR DECISION

- 3.1. The external auditors must report their findings to a properly constituted governance body of the Trust before they can publish their signed and final opinion on the integrity of the Trust's accounts.

4. INTRODUCTION AND BACKGROUND

4.1. INTRODUCTION

- 4.1.1. The Wormwood Scrubs Charitable Trust's Statement of Accounts and Trustee's Report have been prepared in accordance with the Charities Statement of Recommended Practice 2005 and Charities Act 2011. The Statement of Accounts and Trustee's Report are provided at Appendices 1 and 2 for approval by the Wormwood Scrubs Charitable Trust Committee.
- 4.1.2. This report gives a brief overview of the key points arising from the Statement of Accounts and Trustee's Report.
- 4.1.3. 2012/13 is the first year that the financial statements have been audited by KPMG.
- 4.1.4. It should be noted that these accounts remain "unaudited" until final sign-off by KPMG and may therefore be subject to change until that point. However, no further changes are expected. KPMG will consider and complete their final sign-off following the approval of the accounts by the Trust. In the event that changes are subsequently made, then the Director for Finance & Resources, Environment, Leisure & Residents Services will sign-off the amended accounts (following approval of delegated authority)

and report any changes to the next meeting of the Wormwood Scrubs Charitable Trust Committee.

4.2. STATEMENT OF ACCOUNTS 2012/13

- 4.2.1. The Wormwood Scrubs Charitable Trust started the year with an opening balance of £5,571,056. Net incoming resources for the year totalled £(171,652) which resulted in a year-end balance of £5,399,404.
- 4.2.2. The amount carried forward consists of cash backed, unrestricted income funds of £399,403 and designated funds relating to the valuation of land and buildings of £5,000,001.
- 4.2.3. The Trust's Land includes the Athletics Stadium, Pony Centre, three bedroom cottage and single storey parks depot, all of which are valued as £1. It also includes the car park valued at £5,000,000 at 31st March 2013.
- 4.2.4. The main source of income is achieved through the use of the car parks that append Wormwood Scrubs. These generated £539,378 of the Trust's £546,201 of incoming resources through pay and display parking income and the Hammersmith Hospital Trust Car Park License.
- 4.2.5. The main source of resources expended is payments in respect grounds maintenance. These totalled £668,100 of the £717,853 total resources expended.

Further details on the financial performance of all these elements can be found within the Statement of Accounts and Trustee's report.

4.3. AUDITOR'S REPORT

- 4.3.1. KPMG's findings and opinion on the 2012/13 financial statements are contained within the Independent Auditor's Report to the Trustees of Wormwood Scrubs Charitable Trust (contained in the Trustee's report from page 9). The report states that:
- the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2013;
 - have been properly prepared in accordance with UK GAAP; and
 - have been properly prepared in accordance with the requirements of the Charities Act 2011.
- 4.3.2. The auditor also asks the Committee and management for written representations about the financial statements and governance arrangements. To that end Members are asked to consider and approve the draft letter of representation attached as Appendix 3.

4.4. REVIEW OF BALANCES

4.4.1. The Trust's balances have reduced in recent years, mainly due to reductions in pay and display parking income, increased grounds maintenance costs due to annual contract inflation and an increased contribution to the running costs for Linford Christie Stadium. This new committee has been established in order to more closely monitor and scrutinise the income and expenditure for the Trust. Council officers are focussing on reducing the net cost of the Trust in the short, medium and long term. Increased income is being targeted through a review of the existing car park lease with the hospital as well as plans to optimise use of the scrubland through commercial lets. Expenditure is restricted to a few significant budget lines. Expenditure reductions for 2013/14 and 2014/15 are focussed on minimising the contribution to Linford Christie Stadium as well as reviewing the grounds maintenance requirements for the scrubland, within the parameters of the existing grounds maintenance contract.

Further information regarding reserves and the review of balances can be found within the Statement of Accounts and Trustee's report.

4.5. RISK MANAGEMENT

4.5.1. As part of the Trustee's risk management strategy, the Trustee completes an annual review of the risks the charity may face. The 2013/14 risk assessment is attached at Appendix 4.

4.5.2. The work has identified only a few risks and the situation is being monitored. A key element in the management of risk is managing income and expenditure and setting a reserves policy with regular review by the Trustee. The review of reserves is set out in section 4.4. above.

5. PROPOSAL AND ISSUES

5.1. Not applicable.

6. OPTIONS AND ANALYSIS OF OPTIONS

6.1. Not applicable.

7. CONSULTATION

7.1. Not applicable.

8. EQUALITY IMPLICATIONS

8.1. Not applicable.

9. LEGAL IMPLICATIONS

9.1.1. KPMG LLP are required to report the findings from their audit to a properly constituted governance body of the Trust before their opinion on the accounts is issued.

10. **FINANCIAL AND RESOURCES IMPLICATIONS**

10.1. Not applicable.

11. **RISK MANAGEMENT**

11.1. Not applicable

12. **PROCUREMENT AND IT STRATEGY IMPLICATIONS**

12.1. Not applicable.

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Wormwood Scrubs Charitable Trust (WSCT) Statement of Accounts and Trustee's Report 2012/13 WSCT Risk Assessment Charities SORP 2005 Charities Act 2011	Mark Jones 020 8752 6700	Environment, Leisure & Residents Services 1 st Floor, 77 Glenthorne Road

LIST OF APPENDICES:

Appendix 1 – WSCT Annual Trustee's Report 2012/13

Appendix 2 – WSCT Statement of Accounts 2012/13

Appendix 3 – WSCT Letter of Representation 2012/13

Appendix 4 – WSCT Annual Risk Assessment

WORMWOOD SCRUBS CHARITABLE TRUST TRUSTEES REPORT

Reference and Administrative details

<u>Charity Name and Number</u>	Wormwood Scrubs Charitable Trust, Registration No. 1033705
<u>Charity Correspondent</u>	Mark Jones Director for Finance and Resources Environment, Leisure & Residents Services Department First Floor, 77 Glenthorne Road London, W6 0LJ
<u>Trustees</u>	The Council of the London Borough of Hammersmith & Fulham
<u>Telephone</u>	020 8753 6700
<u>Email Address</u>	mark.jones@lbhf.gov.uk
<u>Governing Document</u>	Wormwood Scrubs Act 1879 As Amended By Scheme Of The Charity Commissioners Dated 25 March 2002.
<u>Objects</u>	For Recreational Use As Set Out In The Wormwood Scrubs Act 1879
<u>Area of Benefit</u>	Wormwood Scrubs and West London. (Area prescribed by Governing Document)
<u>Area of Operation</u>	Greater London – Hammersmith and Fulham
<u>Registration History</u>	23 Feb 1994 Registered
<u>Auditor Details</u>	KPMG LLP, 12th Floor, 15 Canada Square, London, E14 5GL

WORMWOOD SCRUBS CHARITABLE TRUST TRUSTEES REPORT

TRUSTEE'S REPORT FOR THE YEAR ENDED 31st MARCH 2013

Overview

The Wormwood Scrubs Charitable Trust (The Trust) exists to ensure that this much valued area of open space in West London is used for the exercise and recreation of Londoners.

- Sports activities were extensive in 2012/13, including the new Tackle Africa five a side football tournament, reputedly the largest event of its type in the country.
- The Trust worked more closely with the Friends of Wormwood Scrubs in 2012/13 to jointly improve the environment of the scrubs.
- Improvements were made to the Linford Christie Stadium and the car park.
- The Trust recognises that it needs to improve its financial performance to put its activities on a more secure footing.

Structure, Governance and Management 2012-13

The Wormwood Scrubs Charitable Trust (WSCT, or 'The Trust') is managed by the London Borough of Hammersmith and Fulham (LBHF or 'The Council') in its capacity as the sole corporate trustee. This is therefore carried out by using the governance arrangements of the Council. The senior officers with responsibilities in respect of the running of the Trust are listed below.

During 2012/13, depending upon the scale of a proposal, decisions relating to the Trust were taken either by Council or the Cabinet, an executive body set up to which operational decisions are delegated. Decisions under £100,000 are delegated to the Cabinet Member for Environment, Leisure & Residents Services, Cllr. Greg Smith.

Until 2012/13, the Audit, Pensions and Standards Committee was the specific body that the Council established would receive the annual reports of the Trust.

Day to day running of the Trust is undertaken by officers in line with the Council's scheme of delegation. The *de facto* chief executive of the Trust, is the Council's Chief Executive, Mr Derek Myers. Ms Lyn Carpenter (Executive Director of Environment, Leisure & Residents Services) and Mr David Page (Director, Safer Neighbourhoods) are the main officers responsible for the day to day running.

Ms Jane West, the Council's Executive Director of Finance and Corporate Governance is the Trust's Chief Finance Officer but day to day financial management of the Trust is undertaken by Mr Mark Jones (Director for Finance and Resources, Environment, Leisure & Residents Services).

Structure, Governance and Management 2013/14

For the next financial year a new Committee of the Council has been created consisting of Councillors advised by senior Council Officers. The new management structure will be dedicated to managing the affairs of the Trust, improve the focus and performance of the Trust and ensuring it achieves its charitable objectives. The Councillors serving on the committee for 2013/14 are Councillor Joe Carlebach, Councillor Andrew Brown and Councillor Elaine Chumnerly. The Council has established that the new Committee, the

WORMWOOD SCRUBS CHARITABLE TRUST TRUSTEES REPORT

Wormwood Scrubs Charitable Trust Committee, will receive the Trust's annual reports from its inception.

Objectives and Activities

Wormwood Scrubs is the subject of a charitable trust created by the Wormwood Scrubs Act 1879. The Council of the London Borough of Hammersmith & Fulham is the sole corporate trustee and holds the land in trust for the "use by the inhabitants of the metropolis for exercise and recreation". This is the Trust's sole objective.

The Trust therefore seeks to encourage sporting and recreational use of Wormwood Scrubs through the provision and maintenance of an environment that is conducive to its objective. The Trust is not linked with the prison located nearby.

The Linford Christie stadium is sited on Wormwood Scrubs and was built by the Greater London Council when that body was responsible for the Scrubs. The stadium is run by the Council and the Trust makes an annual contribution to its running costs.

In addition to supporting the recreational activities provided by the Council through the Linford Christie stadium, the Trust's main activity relates to the maintenance of the scrubs itself. Since 6th May 2008 Quadron Services Ltd has provided a grounds maintenance service at Wormwood Scrubs following a procurement exercise run by the Council.

The Trustee has had due regard to the Charity Commission's public benefit guidance in preparing its annual report. The Trust delivers public benefit in meeting its charitable objective of holding the land in trust for the "use by the inhabitants of the metropolis for exercise and recreation".

Achievements and Performance

The site is used and appreciated by a range of visitors, all placing their specific interest demands on both the site and the teams maintaining it.

The ground maintenance on this site is maintained by a two man static team supported by a number of mobile teams through-out the year.

Sports

This site is unique as a key focus of Ground maintenance activity is the maintenance and preparation of pitch areas. The site can have approximately 12 football pitches marked out at any one time. In addition to this are 2 Gaelic Football pitches, seasonal baseball pitches, a rugby pitch and the central area at Linford Christie stadium. The Stadium also offers a fully certified Athletics track and 5 x All Weather Pitches. There is a weekly Park Run on the Scrubs averaging 88 runners at each.

A number of other sports activities take place on the Scrubs:

- Tackle Africa Football Tournament
- London Baseball event
- 5K your way run
- Race for life event.
- Old Oak Community Day

WORMWOOD SCRUBS CHARITABLE TRUST TRUSTEES REPORT

- British Athletic League Meetings
- Extensive school usage including district sports day.

Scheduled Ground maintenance

This is a highly popular site attracting a diverse range of users – the appearance and cleansing of both the grounds on the main site and in the stadium is critical. Numerous tasks are thus undertaken on a routine basis to ensure the ground maintenance of the site is kept at a high standard.

In the past twelve months the following tasks have been carried out:

Activity
Inspecting daily three on site play areas
Maintaining three on site play areas
Strimming across the site and Linford Christie Stadium
Grass cutting all non pitch areas across the site
Grass cutting areas of Linford Christie Stadium
Maintaining all wildlife and copse perimeters
Maintaining and pruning of all shrub bed areas
Pruning and maintenance of all hedges
Low level tree works
Spraying of hard surface areas
Maintaining dog areas
Litter picking across the site
Litter picking within the Linford Christie Stadium
Emptying of litter bins
Emptying of dog bins
Cleansing hard surfaces across the site
Cleansing hard surfaces within the Linford Christie Stadium
Cleansing and sweeping synthetic pitch areas within Linford Christie Stadium
Maintenance of Redgra area
Leaf clearance across the site
Attending to fly tips
Attending to vandalised or damaged equipment, facilities or surfaces
Liaising with site and facility users
Liaising with Parks Constabulary
Assisting in the preparation for large events
Assisting with Groundwork/Volunteer initiatives

The Friends of Wormwood Scrubs

It was apparent in 2012 that a closer working liaison needed to be established with the Friends of Wormwood Scrubs group.

At a meeting with the group in November 2012 a number of ground maintenance related concerns were raised including the maintenance contract structure, the role of the Groundwork Trust, valuing different user groups, specific ground maintenance tasks required, and how to improve consultation.

WORMWOOD SCRUBS CHARITABLE TRUST TRUSTEES REPORT

Following discussion it was proposed that a regular site walkabout programme with representatives from all parties be put in place and those proposals for immediate improvement works be drawn up and agreed by the friends.

The following is a response by one of the friends to the completion of the works at one of the designated areas:

"I can't tell you what a great deal of difference it makes to be able to see through into the copses and, most important, to have evidence of some sort of proper sustainable maintenance activity taking place on the Scrubs."

Birdwatchers

The bird watchers using the site are represented by David Lindo, "the Urban Birder" who has international acclaim as does the site for the diversity of its bird population. The careful management of the site in line with this bird population is thus critical.

David Lindo has been consulted at each stage in relation to the development and implementation of the management plan.

In close consultation with the bird watchers, advisory signage regarding the Meadow Pipit and other important birds to the site were erected.

The Model Aircraft Club

This club has a substantial membership. At the initial meeting the club chairman suggested that a clearly defined take off and landing area needed to be both created and maintained.

An agreed protocol is now in place for an approved footprint to be regularly cut and marked out. A close liaison continues between the club and the Quadron static team.

Financial Review

Summary of Financial position	2012/13	2011/12	2010/11	2009/10
Total Incoming Resources	546,201	579,106	654,208	735,258
Total Resources Expended	(717,853)	(687,501)	(673,004)	(785,444)
Net Outgoing Resources	(171,652)	(108,395)	(18,796)	(50,186)
Total funds brought forward	5,571,056	5,679,451	5,698,247	5,748,433
Total funds carried forward	5,399,404	5,571,056	5,679,451	5,698,247

The Trustee has designated funds of £5,000,001 relating to the valuation of the car park and tangible fixed assets in their existing use. The remaining, cash backed, unrestricted income funds (£399,403 at 31 March 2013) are solely used for the specific purpose of the Trust. Expenditure which meets this criteria is charged to the fund, together with a fair allocation of management and support costs.

The Trust has been faced in the last two years with declining income, and the increasing costs of maintaining the scrubs and supporting sporting activity.

WORMWOOD SCRUBS CHARITABLE TRUST TRUSTEES REPORT

The main income sources are pay and display income from the 4 machines in Wormwood Scrubs Car Park and licence income for the use of the car park. Expenditure is deemed to be in line with the objectives of the Trust.

The Trust's reserves policy is to consider the level of its balances annually, taking into account;

- Whether the Trust has approved a balanced budget,
- The robustness of the assumptions and calculations that have underpinned the budget strategy,
- The frequency and effectiveness of in year budget monitoring,
- The effectiveness of Risk Management,
- The affordability of its commitments in respect of grounds maintenance and support of the Linford Christie Stadium,
- The review of, and the opinion on, the Trust's financial statements by the External Auditor,
- The condition of the Trust's assets,
- The affordability considerations of prudential borrowing

Currently, the Fund's undesignated funds of £399,403 are in the region of 56% of the turnover of the Trust, which is considered prudent given the factors identified above. The Council recognises that balancing income and expenditure in WSCT has become more challenging for the Trust in the last two years. The new Committee it has established to manage the Trust will have a key role in improving financial performance.

Determining an adequate level of balance requires professional judgement in the context of assessing performance against the key criteria listed above. Consequently, it is considered inappropriate to stipulate either a minimum or a maximum level of balances held. It is considered more important that the key criteria are reviewed annually at the time of preparing the annual Revenue Budget and reviewing the previous year's performance.

The cash balance is currently £411,403 (£584,504 in 2011/12) and has reduced in recent years, mainly due to reductions in pay and display parking income, increased grounds maintenance costs due to annual contract inflation and an increased contribution to the running costs for Linford Christie Stadium. The new scrutiny committee (Wormwood Scrubs Charitable Trust Committee) has been established in order to more closely monitor and scrutinise the income and expenditure for the Trust. Council officers are focussing on reducing the net cost of the Trust in the short, medium and long term. Increased income is being targeted through a review of the existing car park lease with the hospital as well as plans to optimise use of the scrubland through commercial lets. Expenditure is restricted to a few significant budget lines. Expenditure reductions for 2013/14 and 2014/15 are focussed on minimising the contribution to Linford Christie Stadium as well as reviewing the grounds maintenance requirements for the scrubland, within the parameters of the existing grounds maintenance contract.

The Trust's cash balances are managed by the Council. The Council's Treasury Management Strategy Report governing the investment policy adopted, was adopted by the Council in February 2013. The Committee report can be found on the Council's website at the following location:

<http://democracy.lbhf.gov.uk/documents/s27540/06.7%20Treasury%20Management%20Strategy%202013-14.pdf>

In 2012/13 the Council made some investments in the assets on the Scrubs:

WORMWOOD SCRUBS CHARITABLE TRUST TRUSTEES REPORT

- £64,100 was spent on the Linford Christie Stadium to improve water quality and safety, measures to improve the reliability of the hot water supply, and to safely remove identified asbestos. Some floodlights were also replaced/repared.
- £18,900 was spent to improve drainage and signage in the car park.

These amounts are not recognised as donations in the Trust's financial statements as they are deemed within the scope of the Council's responsibilities and activities.

Risk Management

The Trustee has a risk management strategy which comprises:

- An annual review of the risks the charity may face;
- Establishment of plans to mitigate those risks identified;
- Implementation of steps designed to minimise any potential impact on the charity should those risks materialise.

The work has identified only a few risks and the situation is being monitored. A key element in the management of risk is managing income and expenditure and setting a reserves policy with regular review by the trustee.

Plans for future periods

There are a number of issues which are being considered.

The financial performance of the Trust needs to be improved by finding extra sources of income and reducing costs where possible.

The Trust will continue working closely with the Friends of Wormwood Scrubs to identify where improvements can be made within the resources available.

Using Council funds it is planned to carry out much needed further works at Linford Christie Stadium in 2013/14 including an upgrade of the clubhouse kitchen, general internal refurbishment of changing rooms, remedial works to the roof coverings, plus refurbishment and upgrade of toilets and washing areas to the male changing room.

The recent departure of London Nigerian Rugby Football Club from the stadium has opened up an opportunity for a new team to base themselves there. Discussions with local football, hockey and Gaelic football teams are underway and they are keen to use the stadium once the works are completed.

Pitch configuration on the Scrubs is due to be revised to reflect recent feedback from the Friends. Reducing full size pitch provision from 12 full size pitches to 9.

Statement of Trustee's Responsibilities in respect of the Trustee's Annual Report and the financial statements

Under charity law, the Trustee is responsible for preparing the Trustee's Annual Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period.

WORMWOOD SCRUBS CHARITABLE TRUST TRUSTEES REPORT

In preparing these financial statements, generally accepted accounting practice entails that the Trustee:

- selects suitable accounting policies and then apply them consistently;
- makes judgements and estimates that are reasonable and prudent;
- states whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- states whether the financial statements comply with the trust deed [and rules], subject to any material departures disclosed and explained in the financial statements;]
- prepares the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The Trustee is required to act in accordance with the trust deed (and the rules) of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Trustee to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

The Trustee is responsible for the maintenance and integrity of the financial and other information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of Information To Auditors

The Trustee who held office at the date of approval of this Trustee's Report confirms that, so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and the Trustee has taken all steps that ought to have been taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditors

The Trustee appointed KPMG LLP during the year to undertake the audit of accounts in this year and in the following year. The Independent auditor's report to the Trustee of Wormwood Scrubs Charitable Trust follows on page 9.

For and on Behalf of Wormwood Scrubs Charitable Trust

Signed

Name

Date

Independent auditor's report to the Trustee of Wormwood Scrubs Charitable Trust

We have audited the financial statements of Wormwood Scrubs Charitable Trust for the year ended 31 March 2013 which comprise the Trustee's Report, Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 7 the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2013 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or

WORMWOOD SCRUBS CHARITABLE TRUST TRUSTEES REPORT

- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Michael McDonagh

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

Date:

WORMWOOD SCRUBS CHARITABLE TRUST

STATEMENT OF ACCOUNTS 2012/13

Wormwood Scrubs Charitable Trust**Statement of Financial Activities for Year ended 31 March 2013**

		2012/13	2011/12
		£	£
Notes	Income and Expenditure		
	Incoming Resources		
2	Incoming Resources from Charitable Activities:		
	Pay and Display Parking Meters	313,378	343,520
	Hammersmith Hospital Car Park Licence	226,000	226,000
	Incoming Resources from Generated Funds:		
3	Income from Activities for Generating Funds	4,703	5,579
4	Interest Receivable	2,120	4,007
	Total Incoming Resources	546,201	579,106
	Resources Expended		
7	Charitable activities:		
	Costs of generating Parking Income	0	294
5	Contribution to Linford Christie Stadium	31,812	16,832
6	Non Routine Maintenance of Wormwood Scrubs	900	0
6	Routine Grounds Maintenance of Wormwood Scrubs	667,200	656,910
8	Governance costs	17,941	13,465
	Total Resources Expended	717,853	687,501
	Net Outgoing Resources	(171,652)	(108,395)
	Reconciliation of Funds		
11	Total funds brought forward	5,571,056	5,679,451
11	Total funds carried forward	5,399,404	5,571,056

All income was unrestricted.

Wormwood Scrubs Charitable Trust**Balance Sheet at 31 March 2013**

		2012/13	2011/12
		£	£
Fixed Assets			
9	Tangible Assets	5,000,001	5,000,001
Total Fixed Assets		5,000,001	5,000,001
Add: Current Assets			
	Cash in Bank	411,403	584,504
Total Current Assets		411,403	584,504
Less: Liabilities			
10	Creditors: Amounts falling due within one year	(12,000)	(13,449)
Total Liabilities		(12,000)	(13,449)
Total Net Assets and Liabilities		5,399,404	5,571,056
		£	£
The funds of the charity:			
11	Unrestricted income funds	5,399,404	5,571,056
Total Charity Funds		5,399,404	5,571,056

Approval by the Board

These financial statements were authorised for issue on 7 October 2013 by the Wormwood Scrubs Charitable Trust Committee. The financial statements do not reflect events after this date.

For and on Behalf of

The Mayor and Burgesses of the London Borough of Hammersmith and Fulham



Mark Jones

Director, Finance and Resources TTS and ELRS

**7 October
2013**

(1) Statement of Accounting Policies

The Financial Statements have been prepared on a historic cost basis and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005)

(i) Accounting Concept

The accounts have been prepared on an accruals basis. That is, on the basis of income being due and expenditure being payable in the related financial year.

The Trustee has a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to accept the going concern basis of accounting in preparing the financial statements.

(ii) Depreciation

Depreciation has not been charged to tangible fixed assets (the land or the car park). Any changes in value will be reported as gains or losses on revaluations. The Trustee is not aware of any indication that an impairment has occurred.

(iii) Fixed Assets

The Trust has ownership of land, passed under the Wormwood Scrubs Act 1879 for the perpetual use of the inhabitants of London for exercise and recreation. Due to the restrictions on the use of the land and its disposal, it is included in the balance sheet at a fair value at the point of donation, as there are no records of this value a nominal value of £1 is used. This is in line with the Charities SORP. The car park is held at historic value. This was initially established by a valuation in 2004, though the Trust does not operate a policy of revaluation.

(2) Incoming Resources

The Trust has a licensing agreement with Hammersmith Hospital NHS Trust (HHT), for the use of a limited number of parking spaces within the car park, making use of surplus capacity. The Trustee's consider that the arrangement is consistent with the Trust's objectives, as the arrangement can be terminated at any time.

(3) Income from Activities for Generating Funds

	2012/13	2011/12
	£	£
Filming income	(2,535)	(1,415)
Other rental income	(2,168)	(4,164)
	<u>(4,703)</u>	<u>(5,579)</u>

(4) Interest Received

Interest is calculated on an average cash position for the year and is included in the accounts at year end. The interest rate used is the 7 day LIBOR rate, which decreased from 0.58% in 2011/12 to 0.42% in 2012/13.

(5) Contribution to Linford Christie Stadium

The Charity contributes to the up-keep of an athletic stadium located on the Trust grounds, not as a cost apportionment exercise but in furtherance of the objectives of the Trust to support recreation. Linford Christie Stadium is managed by the Environment Leisure and Resident Services Department.

On 27 November 2006 a yearly contribution of up to £110,000 to the running costs of the stadium was approved by Cabinet as an ongoing commitment. In 2012/13 a contribution of £31,812 (£16,832 in 2011/12) was made to the Linford Christie Stadium.

(6) Grounds Maintenance

The grounds maintenance work undertaken at Wormwood Scrubs is undertaken by the Council's external contractor under a Grounds Maintenance contract that was tendered in 2008 for a period of 7 years. The award of this contract was considered in the best interest of both the Council and the Trust. Until 2001-02 the Trust was not in a position to fund the entire cost of the works and until this point, the Council only received a contribution. Since this time, the Trust has funded the full cost of grounds maintenance costs at Wormwood Scrubs. Grounds Maintenance services are currently provided by the Environment Leisure and Resident Services Department of the Council. The continuation of these services are periodically approved by Cabinet Members.

Routine Grounds Maintenance is undertaken in accordance with a series of schedules that form part of the new contract. The fixed element of the contract has increased from £656,910 in 2011/12 to £667,200 in 2012/13 due to a 1.57% inflationary uplift in line with the terms of the contract. The specification included in the new Grounds Maintenance contract represents a significant enhancement to the level of grounds maintenance that currently takes place at Wormwood Scrubs, which is reflected in the increased costs.

Non-routine Grounds Maintenance is identified and commissioned on behalf of the Trust by the contractor.

The Council's Audit Committee formally approved the continuation of the service provided by the Environment Leisure and Resident Services Department in June 2009.

(7) Charitable activities

Resources expended on charitable activities comprise all the resources applied by the charity in undertaking its work to meet its charitable objectives. The Trust's objectives and work are detailed in the Trustees' Annual Report.

(8) Governance costs

The resources expended that relate to the governance of the charity consist of the following:

	2012/13 £	2011/12 £
Financial Administration and Support fees - these costs result from the statutory requirement to prepare accounts. Also included are the costs of the time spent liaising and meeting with auditors, and attending closing of account meetings.	5,919	1,948
Legal Fees - In the management of the Trust during the year legal advice was required. This was provided by Legal Services of LBHF and the charges were based on a staff time basis.	22	17
Audit Fees - It is a statutory requirement that the accounts of the trust should be independently audited.	12,000	11,500
	<u>17,941</u>	<u>13,465</u>

(9) Tangible Assets

The Trust's Land and Buildings include an Athletics Stadium, Pony Centre, three bedroom cottage and single storey parks depot, all of which are valued as a nominal £1 due to the restrictions placed on the use of the land and its disposal.

The Athletics Stadium was built in 1961 under the Greater London Council (GLC) and prior to the creation of the London Borough of Hammersmith and Fulham, who are now responsible for administering the Trust. There is no available documentation to demonstrate that approval has been gained by the Secretary of State for Defence.

The Pony Centre was given approval to be built by the Secretary of State for Defence.

The car park is included in the accounts at historic cost in line with the charity SORP. The value included is £5,000,000. To establish a proxy for historic cost the asset was valued on the 31st March 2004. The Trust does not operate a policy of revaluation.

The car park is classified as a functional tangible fixed asset as the use of this land is considered as consistent with the charities objectives.

The Trust does not depreciate its assets as they are all either without a determinable finite useful life (i.e. land) or of a nominal value (i.e. £1)

(10) External Creditors

The creditors relate to audit services and financial administration and support fees.

	2012/13 £	2011/12 £
Amount of creditor liabilities as at 31 March	<u>(12,000)</u>	<u>(13,449)</u>

(11) Fund Structure:

The Trust's Unrestricted Funds comprise:

	2012/13 £	2011/12 £
General	399,403	571,055
Designated - Fixed Asset Revaluation	5,000,001	5,000,001
	<u>5,399,404</u>	<u>5,571,056</u>

All Income and Expenditure are Unrestricted funds solely used for the specific purpose of the Trust. Expenditure which meets this criteria is charged to the fund, together with a fair allocation of management and support costs, as recharged by LBHF.

The Trustees have designated funds relating to the valuation of the car park and tangible fixed assets in their existing use.

(12) Related Party Transactions:

The Council of London Borough of Hammersmith and Fulham (LBHF) is the trustee of the charity. Most expenditure transactions of the Trust are with LBHF and therefore fall under the definition of related party transactions. However, as stated this does not conflict with the charity's ability to meet its objectives. There are no staff employed by the charity.

	2012/13 £	2011/12 £
a) London Borough of Hammersmith and Fulham as transacting party		
- <i>LBHF as contractor to the Trust</i>		
Environment Leisure and Resident Services Department for the provision of Routine Grounds Maintenance of Wormwood Scrubs (Ref Note 6)	667,200	656,910
LBHF - Parking Control for the collection of Parking income	0	294
- <i>LBHF as recipient of contribution</i>		
Contribution to Linford Christie Stadium (Ref Note 5)	31,812	16,832
- <i>LBHF as provider of administrative and management support to the Trust</i>		
Environment Leisure and Resident Services Department for management of Charitable Activities	0	0
Environment Leisure and Resident Services Department for financial administration services of Wormwood Scrubs	5,919	1,948
Legal Services for the provision of legal advice required in the management of Wormwood Scrubs	22	17
	704,953	676,001
<i>Amounts due to or from related parties:</i>	0.00	0.00

(13) Trustee Remuneration, Benefits and Expenses

The Charities SORP (2005) requires all trustee (or people connected with the charity) remuneration, benefits and expenses to be disclosed, regardless of size. There has been no remuneration, other benefit or expense payments to trustees, or people connected with the charity.

KPMG LLP
12th Floor, 15 Canada Square,
Canary Wharf
London
E14 5GL

7 October 2013

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of Wormwood Scrubs Charitable Trust (“the Charity”), for the year ended 31 March 2013, for the purpose of expressing an opinion:

- i. as to whether these financial statements give a true and fair view of the state of the Charity’s affairs as at 31 March 2013 and of its surplus or deficit for the financial year then ended;
- ii. whether the financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- iii. whether the financial statements have been prepared in accordance with the Charities Act 2011.

These financial statements comprise the Balance Sheet, the Statement of Financial Activities, and notes, comprising a summary of significant accounting policies and other explanatory notes.

The Trustee confirms that the representations they make in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Trustee confirms that, to the best of their knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing themselves:

Financial statements

1. The Trustee has fulfilled their responsibilities, as set out in the terms of the audit engagement dated 8 February 2013, for the preparation of financial statements that:
 - i. give a true and fair view of the state of the Charity’s affairs as at the end of its financial year and of its surplus or deficit for that financial year;
 - ii. have been properly prepared in accordance with UK Generally Accepted Accounting Practice (“UK GAAP”); and
 - iii. have been prepared in accordance with the Charities Act 2011.

The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Trustee in making accounting estimates, including those measured at fair value, are reasonable.
3. All events subsequent to the date of the financial statements and for which FRS 21 Events after the balance sheet date requires adjustment or disclosure, have been adjusted or disclosed.

Information provided

4. The Trustee has provided you with:
 - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from the Trustee for the purpose of the audit; and
 - unrestricted access to persons within the Charity from whom you determined it necessary to obtain audit evidence.
5. All transactions have been recorded in the accounting records and are reflected in the financial statements.
6. The Trustee acknowledges their responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Trustee acknowledges their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

The Trustee has disclosed to you the results of their assessment of the risk that the financial statements may be materially misstated as a result of fraud.

7. The Trustee has disclosed to you all information in relation to:
 - a) Fraud or suspected fraud that it is aware of and that affects the Charity and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements; and
 - b) allegations of fraud, or suspected fraud, affecting the Charity's financial statements communicated by employees, former employees, analysts, regulators or others.
8. The Trustee has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
9. The Trustee has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with FRS 12 Provisions,

Contingent Liabilities and Contingent Assets, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

10. The Trustee has disclosed to you the identity of the Charity's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with FRS 8 Related Party Disclosures.

11. The Trustee confirms that:

- a) The financial statements disclose all of the key risk factors, assumptions made and uncertainties surrounding the Charity's ability to continue as a going concern as required to provide a true and fair view.
- b) Any uncertainties disclosed are not considered to be material and therefore do not cast significant doubt on the ability of the Charity to continue as a going concern.

This letter was tabled and agreed at the meeting of the Wormwood Scrubs Charitable Trust Committee on behalf of the Trustee on 7 October 2013.

Yours faithfully,

Mark Jones
Director of Finance and Resources, Transport and Technical Services and
Environment, Leisure and Residents Services

For and on Behalf of
The Mayor and Burgesses of the London Borough of Hammersmith and Fulham

Appendix to the Trustee's Representation Letter of Wormwood Scrubs Charitable Trust: Definitions

Financial Statements

A complete set of financial statements comprises:

- a Balance Sheet as at the end of the period;
- a Statement of Financial Activities for the period; and
- notes, comprising a summary of significant accounting policies and other explanatory information.

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

The ASB's *Statement of Principles for Financial Reporting* states that:

“An item of information is material to the financial statements if its misstatement or omission might reasonably be expected to influence the economic decisions of users of those financial statements, including their assessments of management's stewardship.”

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to “management” should be read as “management and, where appropriate, those charged with governance”.

Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in FRS 8 *Related Party Disclosures* as the “reporting entity”).

- a) A person or a close member of that person’s family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a retirement benefit scheme for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a scheme, the sponsoring employers are also related to the reporting entity.
 - vi. The entity is controlled or jointly controlled by a person identified in (a).
 - vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).


Related party transaction

The transfer of assets or liabilities or the performance of services by, to or for a related party irrespective of whether a price is charged.

Wormwood Scrubs Charitable Trust – Risk Assessment – 2013/14

Risk Index No.	AREA OF RISK	IMPACT OF RISK	SEVERITY High/Medium/Low	POTENTIAL High/medium/Low	VALUATION	COMMENT
001	Pay and Display income level	i) Theft of cash boxes. ii) Lower income levels due to decisions taken about Pay and Display tariffs.	High	High	Potential loss of income.	Usage fluctuates. Pay & display tariffs are set to match those in nearby streets.
002	Hammersmith Hospital Trust car park income	The licensing agreement with Hammersmith Hospital Trust has a three month notice period with a possible impact on the level of income.	High	Medium	Potential loss of income.	The Hospital relies on the car park. There may be an opportunity to secure greater income.
003	Condition – Wormwood Scrubs car park	Wormwood Scrubs car park is in need of resurfacing.	High	Low	Significant expenditure.	Repairs are not required urgently.
004	Insurance claims against Trust	Liability of trust in case of personal injury claims.	Low	Low	Possible liability of Trust in case of insurance claim.	Wormwood Scrubs would be covered by the Council's insurance.
005	Safety of Artillery Wall	Cost of demolition, collapse could possibly lead to damage or liability of Trust.	Low	High	Cost of demolition or insurance claims.	The condition of the wall is being monitored.

Risk Index No.	AREA OF RISK	IMPACT OF RISK	SEVERITY High/Medium/Low	POTENTIAL High/medium/Low	VALUATION	COMMENT
006	Costs of Operating Linford Christie Stadium	Contribution by the Trust varies according to the trading conditions for the Stadium	High	Medium	Expenditure could be significant	In some years this contribution has been small, but it is volatile. The financial performance of the Stadium is monitored closely

 <p>h&f the low tax borough</p>	<p align="center">London Borough of Hammersmith & Fulham</p> <p align="center">WORMWOOD SCRUBS CHARITABLE TRUST COMMITTEE</p> <p align="center">7 OCTOBER 2013</p>
<p align="center">WORMWOOD SCRUBS CHARITABLE TRUST FINANCIAL FORECAST 2013/14</p>	
<p align="center">Report of the Director for Finance and Resources, ELRS</p>	
<p>Open Report</p>	
<p>Classification: For Information Key Decision: No</p>	
<p>Wards Affected: (Give the Wards directly affected. If all then state "All".) College Park and Old Oak</p>	
<p>Accountable Executive Director: Lyn Carpenter, Executive Director for ELRS</p>	
<p>Report Author: Danielle Wragg, Principal Accountant ELRS</p>	<p>Contact Details: Tel: 020 (8753 4287) E-mail: (danielle.wragg@lbhf.gov.uk)</p>

1. EXECUTIVE SUMMARY

- 1.1. This report sets out the financial forecast for Wormwood Scrubs Charitable Trust for the financial year 2013/14.

2. RECOMMENDATION

- 2.1 That the Committee note the report.

3. FINANCIAL FORECAST 2013/14

- 3.1. The financial performance of Wormwood Scrubs Charitable Trust ("the Trust") for 2012/13 and the forecast for 2013/14 as at the end of August is summarised below and detailed in Appendix A.

	Outturn 2012/13	YTD 2013/14	Forecast 2013/14	Movement between years
Pay and Display Parking Meters	313,378	81,779	326,804	4%
Hammersmith Hospital Car Park Licence	226,000	56,500	226,000	0%
Other income from activities for generating funds	6,823	0	6,717	-2%
Tota Incoming Resources from Generated Funds	546,201	138,279	559,521	2%
Grounds Maintenance	667,200	667,743	667,743	0%
Contribution to Linford Christie Stadium	31,812	0	31,517	-1%
Other Expenditure	18,841	0	18,841	0%
Total Resources Expended	717,854	667,743	718,101	0%
Net Incoming Resources	(171,652)	(529,464)	(158,580)	-8%

- 3.2. In 2012/13 resources expended exceeded incoming resources, resulting in a drawdown from the Trust's cash balances of £171,652.
- 3.3. The opening cash balance for 2013/14 is £411,403 and the forecast at the end of August anticipates a drawdown of £158,580 (39% of the current cash balance). This would give a cash balance of £252,823 to carry forward to 2014/15.

4. SIGNIFICANT ITEMS

- 4.1. For the year to date pay and display income is £5,332 (0.07%) better than as at the same period last year. The average daily collection rate has marginally increased and 2013/14 also has 3 more parking days than 2012/13. Parking income is difficult to forecast due to the numerous factors which affect the demand for parking spaces. Pay and display income has been volatile in recent years and has varied between £402,414 in 2008/09 and £313,378 in 2012/13. As such, and given that pay and display income is the anchor income for the Trust, a degree of risk exists here although income is expected to remain broadly in line with last year.
- 4.2. The Hammersmith Hospital car park licence is a fixed annual charge as set out in the rental agreement. Rent is received quarterly in advance (£56,500 has been received for quarter 1). The contract does not currently allow for an annual inflationary uplift so income will be the same as last year. The licence agreement is being reviewed, as set out in section 4 below. Other income includes interest receivable, some small rents from other tenants and filming income.
- 4.3. The grounds maintenance cost for 2013/14 is £667,734, payable to the Council's grounds maintenance contractor, Quadron Services Ltd. The charge for 2013/14 has marginally increased as the contract was inflated by 0.08% in 2013/14.
- 4.4. The Trust contributes to the up-keep of the Linford Christie athletic stadium located on the Trust grounds, in furtherance of the objectives of the Trust to support recreation. Whilst the Charity contributes to the running costs of the stadium, the Council does not seek to generate a profit from this arrangement and only draws down from the Trust any year end budget variance on the Linford Christie account. The maximum draw

down from the Trust, currently set at £110,000 per annum, has previously been reviewed annually by the Audit and Pensions Committee. The forecast contribution to Linford Christie Stadium in 2013/14 is currently £31,517, representing a £295 decrease from last year. Section 106 and corporate planned maintenance funding of £304,000 has been approved to fund capital improvement works to the stadium this year, which will include upgrading the clubhouse kitchen, general internal refurbishment of the changing rooms, remedial works to roof coverings and refurbishment and upgrade of the toilets. There may be additional revenue spend on the stadium once the works are completed (publicity and equipment), which might affect the required contribution from the Trust this year, but it is reasonable to expect that the improved facility will generate additional income to offset this.

4.5. Other expenditure includes audit and legal fees and governance costs.

5. TARGETED ACTION TO ADDRESS THE SHORTFALL

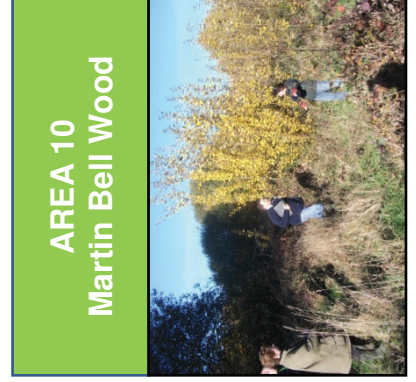
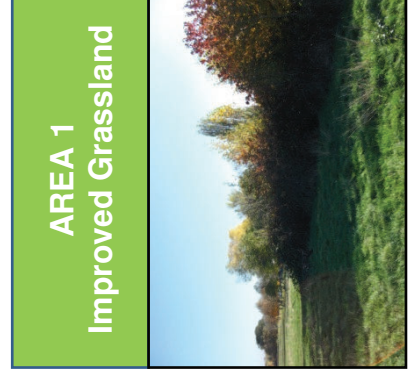
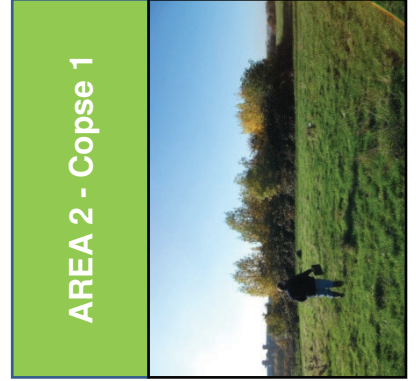
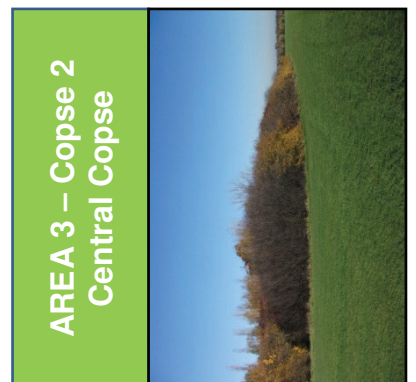
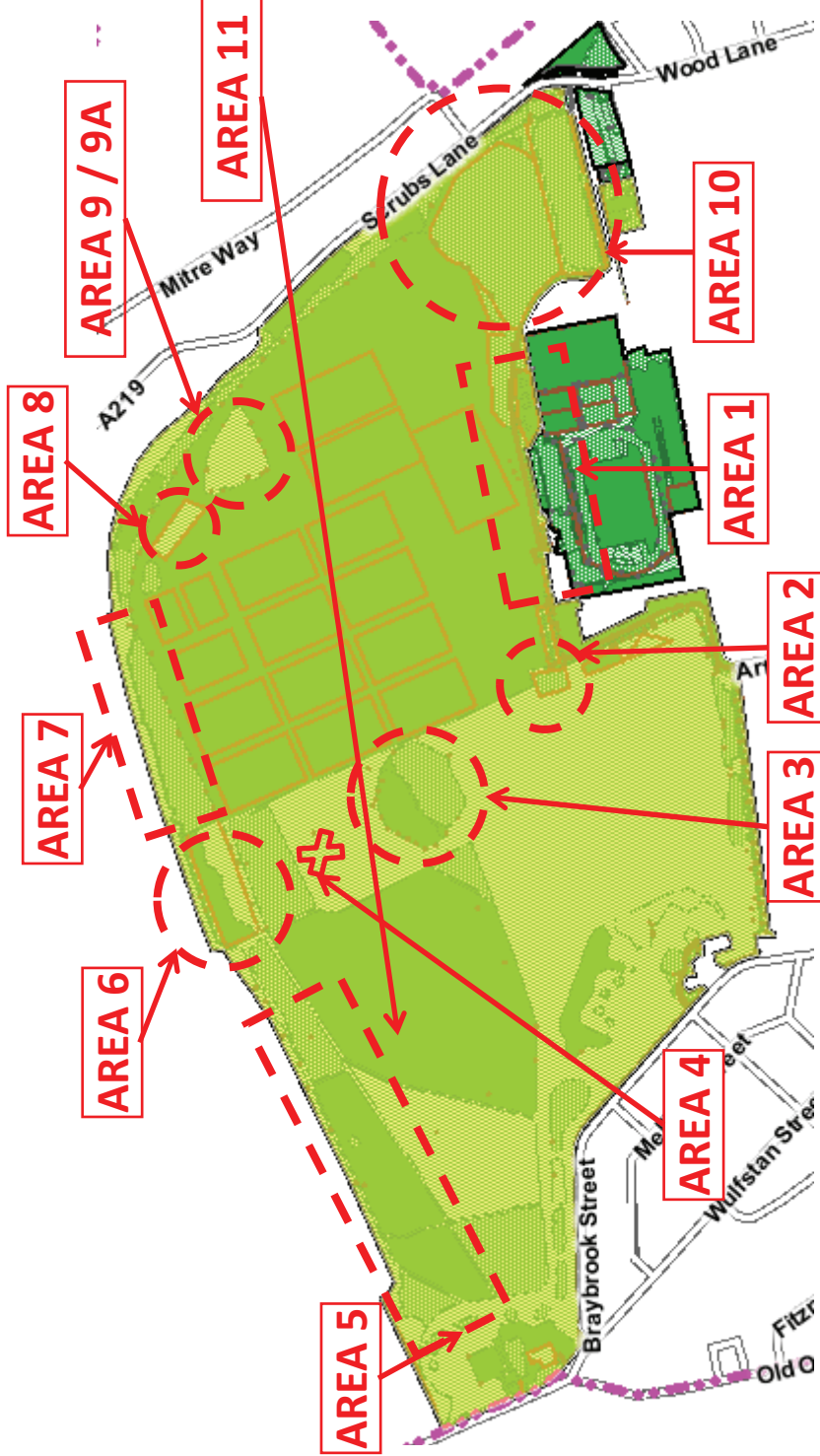
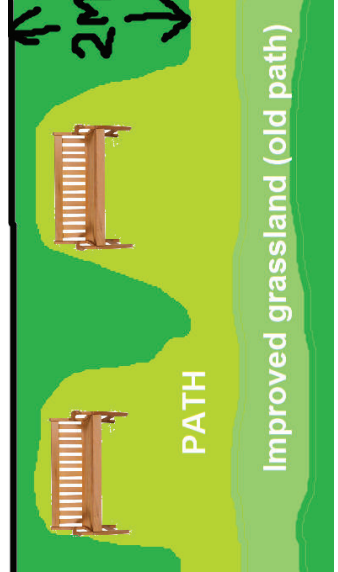
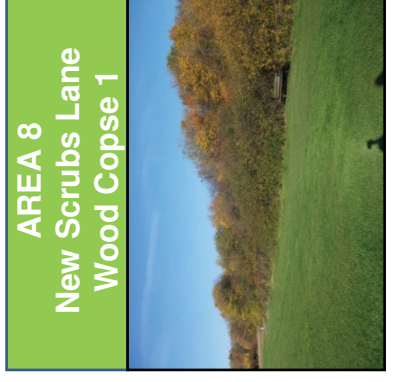
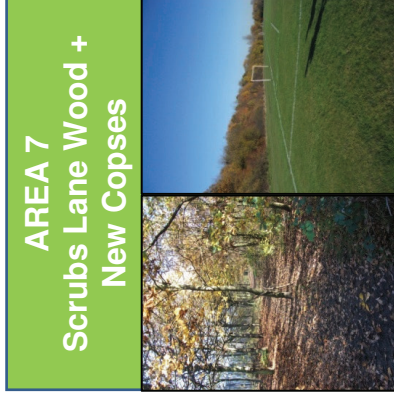
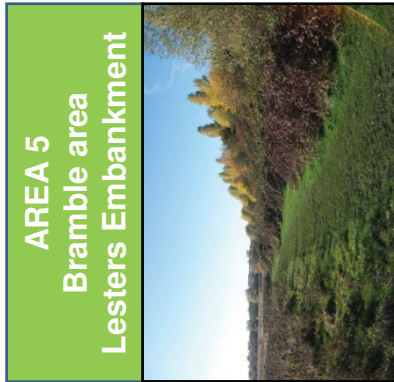
5.1. Given the significant forecast draw down from the Trusts cash balances this year and the resulting reduced cash balance to carry forward to next year, Council officers are focussing on actions to reduce the net operating cost of the Trust in the short, medium and long term.

5.2. Increased income is being targeted through a review of the existing car park lease with the hospital as well as plans to optimise use of the scrubland through commercial lets. However, increased income as a result of these reviews is not expected to have a positive impact until 2014/15.

5.3. Expenditure reductions for 2013/14 and 2014/15 are focussed on minimising the contribution to Linford Christie Stadium as well as reviewing the grounds maintenance requirements for the scrubland, within the parameters of the existing grounds maintenance contract. It is expected that some positive impact may be able to be delivered within 2013/14, although this is unlikely to remove the draw down from the Trust's cash balances in full this year. Work will continue to reduce the net cost of the Trust throughout the remainder of the year.



WORMWOOD SCRUBS MANAGEMENT PLAN



Doc Ref: QSL/CD/DRG/HF/114
 Date: 15/11/2012
 Prepared by: Preeti Chatwal, QSL
 Checked: Andrew Kauffman, QSL

WORMWOOD SCRUBS MANAGEMENT PLAN-KEY TASKS

AREA 1 Improved Grassland	<p>Key Tasks:</p> <ul style="list-style-type: none"> • Agree width of improved Grassland • Mow scalloped rides around benches and Bins • Agree programme of structured whip planting
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AREA 2 - Copse 1	<p>Key Tasks:</p> <ul style="list-style-type: none"> • Agree size of copse • Reduce Bramble • Survey Trees • Agree Grassland regime
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AREA 3 – Copse 2 Central Copse	<p>Key Tasks:</p> <ul style="list-style-type: none"> • Agree size of copse • Reduce Bramble • Increase moving margin • Identifying suitable areas for meadow planting
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AREA 4 Model Flying Area	<p>Key Tasks:</p> <ul style="list-style-type: none"> • Define Landing strip and Agree mowing regime • Look at reducing the ride that runs down from Chats Paddock
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AREA 5 Bramble area Lesters Embankment	<p>Key Tasks:</p> <ul style="list-style-type: none"> • Looking at area on the Hythe road perimeter for bramble • Flail cut Bramble margin by 4m back to existing furniture leaving at least 1-2m of bramble as a buffer and retain the scallops in this area This will be better for birds and lizards. See diagram page 1. • Maintain Flailed area as new access path • Old path maintained as improved grassland may want to put some tree whips in.
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AREA 6 Chats Paddock	<p>Key Tasks:</p> <ul style="list-style-type: none"> • Cut back encroaching Blackthorn to the external fence line to Chats Paddock around benches and bins and allowed to creep as a hedge. This is better than a fence for nesting birds and looks less like park furniture. The hedge could be layed to create a formal hedge to replace the post and rail. • As an existing lizard compartment it is important to have the long grass, scrub and basking area mosaic in the paddock itself, it would be beneficial to cut rides (exact sizes of these should be agreed and best done by hand) inside Chats paddock to halt succession, improve the light and mosaic. • Long term massive bramble encroachment in this area is likely to be detrimental to the lizard population. Widening the paths slightly (by cutting bramble from the edges) would also offer a more sustainable solution to the mud issues than putting down woodchip. • Rather than look to reinstate the areas of damaged Cleft Chestnut fencing on oak post fencing Blackthorn Hedge to be laying and dead wood hedging could provide a more environmentally sensitive barrier. • QSL look to maintain a wider intermediate mowing margin in front of the Blackthorn as a basking area for Lizard and Nightingales seen in the area.
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AREA 7 Scrubs Lane Wood + New Copses	<p>Key Tasks:</p> <ul style="list-style-type: none"> • Maintain the encroaching Blackthorn around benches and bins. • This area has in the past been seeded as a wildflower strip, if this is to be maintained bramble/blackthorn should be cut back at least 3 meters along the entire edge of this area. • Some of the older and dead trees could do with thinning out or coppicing and the wood could be used to make log piles which could mark the edges of the bramble/blackthorn belt and the wildflower, improved grassland edges. • Maintain a suitable Improved grassland margin • Identify Potential areas for whip planting
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AREA 8 New Scrubs Lane Wood Copse 1	<p>Key Tasks:</p> <ul style="list-style-type: none"> • Maintain the Improved grassland margin • Look to selectively remove areas of encroaching bramble and blackthorn. • Similar management for area 9. This is a very dense copse and would benefit from the removal of some trees to let the light in to the understorey. • Survey Trees
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AREA 9 New Scrubs Lane Wood Copse 2	<p>Key Tasks:</p> <ul style="list-style-type: none"> • Maintain the Improved grassland margin • Survey Trees
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AREA 10 Martin Bell Wood	<p>Key Tasks:</p> <ul style="list-style-type: none"> • Remove the suckering poplar • Selectively remove dominant patches of bramble • Survey Trees
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AREA 11 Meadow Pipet Meadow	<p>Key Tasks:</p> <ul style="list-style-type: none"> • Seek to designate this area as an LNR in 2013 linked to the nesting habitat for Meadow Pipets and wider ecology survey. • Implement a plan to prevent succession of bramble and scrub to maintain meadow. • Implement a meadow cutting regime for the grassland area in line with LNR designation. • Suggest to Friends cutting an access path through the centre of the meadow, but seasonally enforce a Dogs on path policy during the breeding season Education v Enforcement. • Work with David Lindoa to agree suitable on site interpretation for the areas to increase the Education to users and schools etc
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