

**WORMWOOD SCRUBS CHARITABLE TRUST ANNUAL REPORT
AND STATEMENT OF ACCOUNTS 2019/20**

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Report to Wormwood Scrubs Charitable Trust Committee

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1. EXECUTIVE SUMMARY

- 1.1. This report presents the Wormwood Scrubs Charitable Trust Annual Trustee's Report which includes the draft 2019/20 financial accounts (Appendix A).
- 1.2. The external auditors (MHA Macintyre Hudson LLP) 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 (Appendix B).
- 1.3. The external auditors require the Trust to approve a letter of representation (Appendix C).

2. RECOMMENDATIONS

- 2.1. To approve the Trustee's Annual Report, attached as Appendix A.
- 2.2. To approve the 2019/20 financial accounts for Wormwood Scrubs Charitable Trust ("the Trust"), incorporated as part of the Annual Report (Appendix A).
- 2.3. To approve the management representation letter (attached as Appendix B).
- 2.4. To note the contents of the annual risk assessment (contained in the Trustee's report on page 25).
- 2.5. To note that the accounts remain subject to change until the final audit opinion is issued and to delegate authority to the Assistant Director Leisure, Sport & Culture, Stephen Hollingworth in consultation with the Chair of the Committee, to approve any changes to the 2019/20 Financial Accounts, Annual Report and the management representation letter required as part of the finalisation of the audit process.

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. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Charities Act 2011. The Statement of Accounts and Trustee's Report are provided from page 20 of the report. These are for approval by the Wormwood Scrubs Charitable Trust Committee.
- 4.2. This report gives a brief overview of the key points arising from the Statement of Accounts and Trustee's Report.
- 4.3. MHA Macintyre Hudson have been appointed as the auditors of the financial statements for 2019/20.
- 4.4. MHA Macintyre Hudson are nearing completion of the 2019/20 Wormwood Scrubs Charitable Trust and will present their findings to Committee. It should be noted that these accounts remain "unaudited" until final sign off by the external auditor and may, therefore, be subject to change until that point. MHA Macintyre Hudson will consider and complete their final sign-off following the approval of the accounts by the Trust.

5. STATEMENT OF ACCOUNTS 2019/20

- 5.1. The Trust delivered a surplus for the year of £147,205. This was the third surplus in recent years. This surplus is substantially underpinned by the additional income from the Kensington Aldridge Academy's occupation of the Scrubs.
- 5.2. The Trust started the year with an opening balance of £5,742,188. With the addition of the in-year surplus of £147,205, the year-end balance was £5,889,393.
- 5.3. The amount carried forward consists of unrestricted income funds of £889,392 and restricted funds relating to the valuation of land and buildings of £5,000,001.
- 5.4. The Trust's land includes the Linford Christie Athletics Stadium, Pony Centre, three-bedroom cottage and single storey parks depot, all of which are valued as £1 in total. It also includes the car park valued at £5,000,000 as at 31st March 2018.

- 5.5. Further details on the financial performance can be found within the Statement of Accounts and Trustee's report.

6. AUDITOR'S REPORT

- 6.1. The auditor 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 C (to follow).
- 6.2. MHA Macintyre Hudson's findings and final opinion on the 2019/20 financial statements will be issued once the letter of representation has been approved however a draft assessment will be presented to Committee.

7. REVIEW OF BALANCES

- 7.1. The Trust's balances have increased in recent years, mainly due to stability in pay and display parking income and the additional income from the Kensington Aldrige Academy (KAA). The Trust continues to closely monitor and scrutinise its income and expenditure due to temporary nature of KAA's occupation and the increased grounds maintenance costs resulting from annual contract inflation and the impact of the Covid-19 pandemic. Council officers are focussing on reducing the net costs of the Trust in the short, medium and long term.

8. RISK MANAGEMENT

- 8.1. As part of the Trustee's risk management strategy, the Trustee completes an annual review of the risks the charity may face. The 2019/20 risk assessment is contained in the Trustee's report on page 13.
- 8.2. The work has identified a number of 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 for regular review by the Trustee.

9. LEGAL IMPLICATIONS

- 9.1. MHA Macintyre Hudson 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. The financial elements are detailed in the main report.

11. CONSULTATION

11.1. Not applicable.

12. EQUALITY IMPLICATIONS

12.1. Not applicable.

13. PROCUREMENT AND IT STRATEGY IMPLICATIONS

13.1. 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.	Charities SORP (FRS 102) Charities Act 2011	Stephen Hollingworth 07823 534 934	Clockworks

LIST OF APPENDICES:

Appendix A – WSCT Annual Trustee’s Report and draft Statement of Accounts 2019/20

Appendix B – Draft Audit Findings 2019/20 (*to follow*)

Appendix C – WSCT Letter of Representation 2019/20 (*to follow*)