



# AUDIT AND PENSIONS COMMITTEE

8 December 2011

## CONTRIBUTORS

Residents Services  
Department

## 2010/11 WORMWOOD SCRUBS CHARITABLE TRUST ACCOUNTS

## WARD/S

All

This report presents the 2010/11 Wormwood Scrubs Charitable Trust statement of financial activity. The Audit Committee is the specific body that the Council has established to receive the annual reports of the trust.

### **Recommendations:**

1. To approve the Wormwood Scrubs Charitable Trust's 2010/11 audited statement of accounts and Trustee's report.
2. To approve the 2011/12 contribution to the running costs of Linford Christie stadium up to a maximum of £115,500.

## 1. PURPOSE OF REPORT

- 1.1 The report presents the statement of financial activity for 2010/11 for the Wormwood Scrubs Charitable Trust. The Audit Commission 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.
- 1.2 These accounts have been audited and are presented for approval.

## 2. INTRODUCTION

- 2.1 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".
- 2.2 The statement of financial activities and trustees report have been prepared in accordance with the Charities' Statement of Recommended Practice 2005
- 2.3 A draft set of 2010/11 accounts is provided as Appendix A.

## 3. STATEMENT OF FINANCIAL ACTIVITIES 2010/11

- 3.1 Wormwood Scrubs Charitable Trust started the year with an opening balance of £5,698,247. Net incoming resources for the year totalled £(18,796) which resulted in a year-end balance of £5,679,451.

<b>Summary of Financial Position</b>	<b>2010/11</b>
	£
Total Incoming Resources	654,208
Total Resources Expended	(673,004)
<b>Net Incoming Resources</b>	<b>(18,796)</b>
<b>Total funds brought forward</b>	<b>5,698,247</b>
<b>Total funds carried forward</b>	<b>5,679,451</b>

- 3.2 The amount carried forward consists of unrestricted income funds of £679,450 and a revaluation reserve for land and buildings of £5,000,001.
- 3.3 The Trust's Land includes 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 31<sup>st</sup> March 2004.

## 4 SUMMARY

- 4.1 The Trust's main source of income is achieved through the use of the car parks that append Wormwood Scrubs. The income is generated from 2 areas, Pay and Display income from people using the Trusts' facilities and a licence agreement with Hammersmith Hospital.
- 4.2 The majority of expended resources relate to maintenance for the Trusts' facilities.
- 4.3 The main areas of financial activity are set out below

Income and Expenditure	2010/11	2009/10
	£	£
<b>Incoming Resources</b>		
Pay and Display Parking Meters	379,345	400,153
Hammersmith Hospital Car Park Licence	226,000	221,451
Other Income	45,889	109,528
Interest Receivable	2,974	4,126
<b>Total Incoming Resources</b>	<b>654,208</b>	<b>735,258</b>
<b>Resources Expended</b>		
Costs of generating Parking Income	3,979	20,381
Contribution to Linford Christie Stadium	0	110,000
Non Routine Maintenance of Wormwood Scrubs	0	167
Routine Grounds Maintenance of Wormwood Scrubs	642,700	630,820
Charitable activities	0	0
Governance costs	21,737	21,593
Other resources expended	4,588	2,485
<b>Total Resources Expended</b>	<b>673,004</b>	<b>785,445</b>
<b>Net Incoming Resources</b>	<b>(18,796)</b>	<b>(50,186)</b>

## 5 Review of Balances

- 5.1 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 reduced from 0.55% in 2009/10 to 0.42% in 2010/11. This has reduced interest received in year.
- 5.2 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 £630,820 in 2009/10 to £642,700 in 2010/11 due to the annual inflationary uplift in line with the terms of the contract.

- 5.3 In 2009/10 the required contribution to Linford Christie stadium was £110,000. There was no contribution required in 2010/11 due to a significant increase in sports income, thereby reducing the net running cost of the Stadium in 2010/11.
- 5.4 The underlying position is that the Wormwood Scrubs Charitable Trust reserve has reduced by £18,796 in 2010/11 to £5,679,451.
- 5.5 It is recommended that the Committee approve the 2011/12 contribution to the running costs of Linford Christie stadium to a maximum of £115,500.
- 5.6 Currently, the Fund's Reserves are in the region of 104% of the turnover of the trust, which is considered prudent given the dependency on a single source of income and planned expenditure for 2011/12.

## **6 COMMENTS OF THE DIRECTOR OF FINANCE**

- 6.1 The 2010/11 audited statement of financial activities and trustees report are attached as Appendices A and B. It is a statutory requirement that the accounts are approved by the Audit committee and signed by the Chairman as representatives of trustees of Wormwood Scrubs Charitable Trust.

## **7 PUBLICATION AND AUDIT OF ACCOUNTS**

- 7.1 The District Audit report has been submitted separately for consideration by the Audit & Pensions Committee. Following the Audit & Pensions Committee's consideration of this report, the District Auditor will issue an opinion on the financial statements.

### **LIST OF BACKGROUND PAPERS**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of Holder of File/Copy</b>	<b>Department/Location</b>
1.	Statement of Financial Activity and Trustee's Report 2010/11 Charities SORP 2005	Mark Jones Ext 6700	Residents Services 1 <sup>st</sup> Floor 77 Glenthorne Road