

## WORMWOOD SCRUBS CHARITABLE TRUST TRUSTEES REPORT

### Reference and Administrative details

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

## WORMWOOD SCRUBS CHARITABLE TRUST TRUSTEES REPORT

### TRUSTEE'S REPORT FOR THE YEAR ENDED 31<sup>st</sup> 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

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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 6<sup>th</sup> 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

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- 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.

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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**

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

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.

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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:

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- £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.

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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](http://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

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- 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:**