



AUDIT AND PENSIONS COMMITTEE

29 JUNE 2010

CONTRIBUTORS

Residents Services
Department

2009/10 WORMWOOD SCRUBS CHARITABLE TRUST ACCOUNTS

WARD/S

All

This report presents the 2009/10 Wormwood Scrubs Charitable Trust statement of financial activity. The Audit and Pensions 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 2009/10 statement of accounts and Trustee's report, subject to any changes that may emerge from the audit of the accounts
2. To approve the 2010/11 contribution to the running costs of Linford Christie stadium of £115,500.

1. PURPOSE OF REPORT

- 1.1 The report presents the statement of financial activity for 2009/10 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 are presented for approval prior to audit.

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 2009/10 accounts is provided as Appendix A.

3. STATEMENT OF FINANCIAL ACTIVITIES 2009/10

- 3.1 Wormwood Scrubs Charitable Trust started the year with an opening balance of £5,748,433. Net incoming resources for the year totalled £(50,186) which resulted in a year-end balance of £5,698,247.

Summary of Financial Position	2009/10
	£
Total Incoming Resources	735,258
Total Resources Expended	(785,445)
Net Incoming Resources	(50,186)
Total funds brought forward	5,748,433
Total funds carried forward	5,698,247

- 3.2 The amount carried forward consists of unrestricted income funds of £698,246 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 31st 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	2009/10	2008/09
	£	£
Incoming Resources		
Pay and Display Parking Meters	400,153	402,414
Hammersmith Hospital Car Park Licence	221,451	226,000
Other Income	109,528	95,284
Interest Receivable	4,126	26,890
Total Incoming Resources	735,258	750,588
Resources Expended		
Costs of generating Parking Income	20,381	29,268
Contribution to Linford Christie Stadium	110,000	33,000
Non Routine Maintenance of Wormwood Scrubs	167	0
Routine Grounds Maintenance of Wormwood Scrubs	630,820	610,000
Charitable activities	0	2,345
Governance costs	22,186	14,550
Other resources expended	1,891	10,438
Total Resources Expended	785,445	699,602
Net Incoming Resources	(50,186)	50,986

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 3.79% in 2008/09 to 0.55% in 2009/10. This has significantly 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 £610,000 in 2008/09 to £630,820 in 2009/10 due to a 3.4% inflationary uplift in line with the terms of the contract. In 2009/10 the Council made a contribution of £95,000 towards the grounds maintenance service. This is reflected in the Other Income line.
- 5.3 In 2008/09 the required contribution to Linford Christie stadium was £82,000 lower than expected due to reduced staffing spend at the stadium and the unexpected receipt of income relating to outstanding debt carried forward from 2007/08. This was a one off reduction and the required contribution returned to the previously agreed £110,000 for 2009/10.
- 5.4 The underlying position is that the Wormwood Scrubs Charitable Trust reserve has reduced by £50,186 in 2009/10 to £5,698,247.
- 5.5 It is recommended that the Committee approve the 2010/11 contribution to the running costs of Linford Christie stadium of £115,500.
- 5.6 Currently, the Fund's Cash Balance is in the region of 99% of the turnover of the trust, which is considered prudent given the dependency on a single source of income and planned expenditure for 2010/11.

6 COMMENTS OF THE DIRECTOR OF FINANCE

- 6.1 The 2009/10 statement of financial activities and trustees report, prior to audit, 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 At the completion of the 2009/10 audit, a report will be issued by the District Auditor for consideration by the Audit Committee. Following the Committee's consideration of this report, the District Auditor will issue an opinion on the financial statements.

LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of Holder of File/Copy	Department/Location
1.	Statement of Financial Activity and Trustee's Report 2009/10 Charities SORP 2005	Gary Hannaway Ext 3031	Residents Services 1 st Floor 77 Glenthorne Road