

**APPENDIX A - WORMWOOD SCRUBS CHAIRTABLE TRUST ACCOUNTS 2009/10**

**Wormwood Scrubs Charitable Trust**

**Statement of Financial Activities for Year ended 31 March 2010**

| Income and Expenditure |  | 2009/10   | 2008/09   |
|------------------------|--|-----------|-----------|
|                        |  | £         | £         |
| Notes                  |  |           |           |
| 1                      | <b>Incoming Resources</b>                      |           |           |
|                        | Pay and Display Parking Meters                 | #VALUE!   | 402,414   |
|                        | Hammersmith Hospital Car Park Licence          | #VALUE!   | 226,000   |
| 2                      | Other Income                                   | #VALUE!   | 95,284    |
| 3                      | Interest Receivable                            | #VALUE!   | 26,890    |
|                        | <b>Total Incoming Resources</b>                | #VALUE!   | 750,588   |
|                        | <b>Resources Expended</b>                      |           |           |
|                        | Costs of generating Parking Income             | #VALUE!   | 29,268    |
| 4                      | Contribution to Linford Christie Stadium       | #VALUE!   | 33,000    |
| 5                      | Non Routine Maintenance of Wormwood Scrubs     | #VALUE!   | 0         |
| 5                      | Routine Grounds Maintenance of Wormwood Scrubs | #VALUE!   | 610,000   |
| 6                      | Charitable activities                          | #VALUE!   | 2,345     |
| 7                      | Governance costs                               | #VALUE!   | 14,550    |
|                        | Other resources expended                       | #VALUE!   | 10,438    |
|                        | <b>Total Resources Expended</b>                | #VALUE!   | 699,602   |
|                        | <b>Net Incoming Resources</b>                  | #VALUE!   | 50,986    |
|                        | <b>Reconciliation of Funds</b>                 |           |           |
|                        | Total funds brought forward                    | 5,748,433 | 5,697,447 |
|                        | <b>Total funds carried forward</b>             | #VALUE!   | 5,748,433 |

**Wormwood Scrubs Charitable Trust**

**Balance Sheet at 31 March 2010**

|    |   | 2009/10          | 2008/09          |
|----|---|------------------|------------------|
|    |   | £                | £                |
| 8  | <b>Tangible Fixed Assets</b>  |                  |                  |
|    | Land and Buildings  | 1                | 1                |
|    | Car Park  | 5,000,000        | 5,000,000        |
|    | <b>Total Fixed Assets</b>   | <b>5,000,001</b> | <b>5,000,001</b> |
|    | <b>Add: Current Assets</b>  |                  |                  |
|    | Cash in Bank  | 708,111          | 751,932          |
|    | Debtors   | 0                | 0                |
|    | <b>Total Current Assets</b>   | <b>708,111</b>   | <b>751,932</b>   |
|    | <b>Less: Liabilities</b>  |                  |                  |
|    | Creditors: Amounts falling due within one year  | 0                | 0                |
| 9  | Provision for Audit Fees  | (9,865)          | (3,500)          |
|    | <b>Total Liabilities</b>  | <b>(9,865)</b>   | <b>(3,500)</b>   |
|    | <b>Total Net Assets and Liabilities</b>   | <b>5,698,247</b> | <b>5,748,433</b> |
|    |   | £                | £                |
|    | <b>The funds of the charity:</b>  |                  |                  |
| 10 | Unrestricted income funds   | #VALUE!          | 748,432          |
|    | Revaluation reserve   | 5,000,001        | 5,000,001        |
|    | <b>Balance of the Charitable Trust held by the London Borough of Hammersmith and Fulham</b> | <b>#VALUE!</b>   | <b>5,748,433</b> |

## 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) and the Companies Act 1985.

### (1) 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.

### (2) Depreciation

Depreciation has not been charged to the land or the car park. Any changes in value will be reported as gains or losses on revaluations. The trustees are not aware of any indication that an impairment has occurred.

### (3) Fixed Assets

Fixed Assets have been valued on a basis recommended by CIPFA and in accordance with the Statements of Asset Valuation Principles and Guidance Notes issued by the Royal Institution of Chartered Surveyors (RICS). 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 nominal value, apart from the car park which has been valued on the basis of Existing Use Value. The Council administers the Scrubs under Trust.

## 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.

## Notes to the Accounts

### (1) 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 Trustees consider that the arrangement is consistent with the Trust's objectives, as the arrangement can be terminated at any time.

### (2) Other Income

In 2009/10 the Council made a contribution of £95,000 to the Trust towards the delivery of grounds maintenance services. See Note 5 for further detail

### (3) 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 reduced from 3.79% in 2008/09 to 0.55% in 2009/10. This has significantly reduced interest received in year.

### (4) 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 Resident Services Department.

On 27 November 2006 a yearly contribution of £110,000 to the running costs of the stadium was approved by Cabinet as an ongoing commitment. In 2008/09 a contribution of only £33,000 was required from the Trust due to reduced staff spend 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 has now returned to the previously agreed £110,000 for 2009/10.

### (5) 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 Residents 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 £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. 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. Due to the comprehensive specification of works outlined in the new grounds maintenance contract, non-routine maintenance is minimal at a cost of £167 for 2009/10.

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

## (6) Charitable activities

These costs represent the activities undertaken and advice provided by project and policy officers in enabling the trustees to make informed decisions impacting on the trust and the Council and so delivering the charity's objectives. There were no charges for charitable activities in 2009/10.

## (7) Governance costs

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

|   | £              |
|---|----------------|
| 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. | #VALUE!        |
| 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.  | #VALUE!        |
| Audit Fees - It is a statutory requirement that the accounts of the trust should be audited. The service is provided by the Audit Commission.   | #VALUE!        |
|   | <u>#VALUE!</u> |

## (8) Tangible Assets

The Trust's Land includes an Athletics Stadium, Pony Centre, three bedroom cottage and single storey parks depot, all of which were valued as £1. The valuation was carried out by Simon Webb (MRICS) of FPD Savills. Mr Webb is not a trustee of the charity.

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 Trust's Land includes a Car Park. This asset was valued as at 31st March 2004 on the existing use value. The valuation was carried out by Simon Webb (MRICS) of FPD Savills. Mr Webb is not a trustee or employee of the charity.

The trustees are not aware of any material change since the last valuation.

### Movement in fixed asset:

|                                     | 2009/10          | 2008/09          |
|-------------------------------------|------------------|------------------|
|                                     | £                | £                |
| Market value brought forward        | 5,000,001        | 5,000,001        |
| Add: net gain (loss) on revaluation | -                | -                |
| Market value at 31st March          | <u>5,000,001</u> | <u>5,000,001</u> |

## (9) Provision for liabilities and charges

The provision for liabilities and charges relate to audit services by the Audit Commission not invoiced to date.

|  | 2009/10       | 2008/09      |
|--|---------------|--------------|
|  | £             | £            |
| Provision outstanding at the start of the year | (3,500)       | (7,496)      |
| New provision charged to the SOFA in year      | 9,865         | 3,500        |
| Adjustment to provision during the year        | 0             | 586          |
| Provision paid during the year                 | 5,032         | 6,910        |
| Amount of provision as at 31 March             | <u>11,397</u> | <u>3,500</u> |

## (10) Fund Structure:

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.

**(11) 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.

|  | <b>2009/10</b> | <b>2008/09</b> |
|--|----------------|----------------|
|  | <b>£</b>       | <b>£</b>       |
| <u>a) London Borough of Hammersmith and Fulham as transacting party</u>  |                |                |
| - LBHF as contractor to the Trust  |                |                |
| Residents Services Department for the provision of Routine Grounds Maintenance of Wormwood Scrubs (Ref Note 4) | #VALUE!        | 610,000        |
| LBHF - Parking Control for the collection of Parking income  | #VALUE!        | 29,268         |
| - LBHF as recipient of contribution  |                |                |
| Contribution to Linford Christie Stadium (Ref Note 3)  | #VALUE!        | 33,000         |
| - LBHF as provider of administrative and management support to the Trust                                       |                |                |
| Environment & Residents Services Departments for management of Charitable Activities                           | 0              | 2,345          |
| Environment & Residents Services Departments for financial administration services of Wormwood Scrubs          | #VALUE!        | 9,030          |
| Legal Services for the provision of legal advice required in the management of Wormwood Scrubs                 | #VALUE!        | 2,606          |
|  | <u>#VALUE!</u> | <u>686,250</u> |
| <i>Amounts due to or from related parties:</i>   | 0.00           | 0.00           |

**Approval by the Board**

These financial statements were authorised for issue on 29 June 2010 by the London Borough of Hammersmith & Fulham's Audit 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**

**Gary Hannaway**  
**Assistant Director of Finance & Resources - Residents Services**

**Date:**